

# ACTIVE PARTNERS TRUST ("APT")

a company limited by guarantee: 10876876

## Board Meeting - 24 August 2017

### MINUTES

<b>Present:</b>	Melanie Berry	(MB)	<i>APT Board Director</i>	
	Sarah Fowler	(SF)	<i>APT Board Director</i>	
	Derek Higton	(DH)	<i>APT Board Director</i>	- Items 1 to 7
	Stephen Jackson	(SJ)	<i>APT Board Director</i>	
	Kath Mitchell	(KM)	<i>APT Board Director</i>	- Items 1, 2, 3 & 5e
<b>In attendance:</b>	Ilana Freestone	(IF)	<i>Director of Derbyshire Sport / Interim Director of Sport Nottinghamshire</i>	
	John Krafts	(JK)	<i>Kraft HR Consulting</i>	
	Simon Le Fevre	(SLF)	<i>Wharton Consulting</i>	
<b>Apologies:</b>	David Williams	(DW)	<i>APT Board Director</i>	

### 1. Opening Remarks

#### a. Appointment of initial APT Chair

The Board considered the need for APT to have an initial Chair during the company set-up period, and decided to appoint Stephen Jackson.

SJ welcomed directors and attendees to the initial Board meeting of APT.

#### b. Appointment of initial APT Senior Independent Director

The Board considered the requirement, under the Code for Sports Governance, for APT to have an initial Senior Independent Director during the company's set-up period, and decided to appoint Kath Mitchell.

### 2. Apologies for Absence & Quorum

It was noted that the minimum quorum of three directors was met. Apologies for absence were received from DW.

### 3. Declarations of Interest

#### a. Declaration of Interests Forms

The Board noted the requirement, under the Articles, for APT to keep a register of directors' interests. SLF had circulated the forms in advance of the meeting, and directors were requested to complete and return these to the office as soon as possible. **Action: All directors.**

b. Fit & Proper Persons Declaration Forms

SLF explained that Fit & Proper Persons Declarations were required from all directors, under the Code for Sports Governance. As this was also a requirement of HM Revenue & Customs (HMRC) for charities, the HMRC standard form had already been circulated. Directors were requested to complete and return these to the office as soon as possible.

**Action: All directors.**

SLF undertook to draft a relevant policy document relating to the ongoing maintenance of the declarations and to provide this to the Board for approval. **Action: SLF**

*[As KM needed to leave early for a pre-existing commitment, Item 5e was taken at this point in the meeting. Please see relevant minute below.]*

#### 4. Formal Record of Previously Agreed Company Set-Up Decisions

a. Adoption of APT Memorandum of Association

The meeting noted that the APT Memorandum of Association had been agreed by circular email and then signed by DH and SJ, as initial subscribers, on 20 July 2017.

b. Adoption of APT Articles of Association

It was also noted that the APT Articles of Association had been reviewed by the Derbyshire Sport / Sport Nottinghamshire Incorporation Joint Working Group, agreed by the six initial directors by circular email, and submitted to Companies House on 20 July 2017.

c. Registration of APT with Companies House

The Board took note that Companies House had accepted the APT submission and issued a Certificate of Incorporation to APT on 20 July 2017, under company number: 10876876.

d. Opening of APT Bank Account with NatWest

A paper had been circulated to the Board, explaining that three potential providers of banking services (Barclays, NatWest and Santander) had been considered, and NatWest had been preferred on the basis of the suitability of service for a non-profit, charitable company, and a more straightforward application process.

SJ highlighted that, during the phase of the initial set-up period while there were no staff in place, authority was to be delegated to any 2 directors to sign up to £100,000 and any 3 directors for amounts in excess of that sum, with all 6 directors being on the signatories list. Once relevant staff were in place, the relevant arrangements in the Financial Management Manual would start to be implemented.

The Board agreed to the delegation of authority and passed the two resolutions, for the bank account and for bank cards respectively, required by Nat West.

*[The resolutions are appended to these minutes.]*

SJ requested all directors to complete the relevant bank mandate signatories forms and return these to the office as soon as possible. **Action: All directors.**

The meeting noted that, once the APT bank account was open, this would allow formal processes to be set in motion in due course with Derbyshire County Council (DCC) and Nottingham Trent University (NTU), as the current hosting agencies for the two county sports partnerships (CSPs), for the transfer of CSP-related funding to APT as from 1 October 2017.

e. Confirmation of initial 6 Directors as the current Members of the Company

SLF reminded the Board that, under the APT Articles, the only current class of members of the company are the directors themselves. Accordingly, the directors could, in their capacity as members, hold any general meetings of the company that might be required to expedite the set-up processes of the company.

SLF agreed to check that all these key governance documents were now appropriately filed in the APT office. **Action: SLF**

## 5. Key Next Steps for Company Set-Up

a. General Progress Update

The Board noted that two information memos, regarding the establishment of the company, had been circulated to the directors by SLF on 13 and 27 July 2017.

b. Registration with HMRC

The meeting was informed that, once the bank account was in place, a submission for the registration of APT as a charity would be sent to HMRC by Ken Pollard (KP). This registration would then allow APT to operate Gift Aid and other tax efficient charitable donations schemes. **Action: KP**

c. Registration with Charity Commission for England & Wales

SLF informed the meeting that, once the HMRC registration was in place, it would then be possible for him to action APT's application to the Charity Commission for formal registration. Information about the charity's proposed activities and provision of public benefit would be sourced from the initial Business Plan for APT. The meeting noted that Sport England did not consider APT's registration with the Charity Commission to be a pre-condition for releasing the anticipated public funding. **Action: SLF**

d. Initial Funding Agreement with Sport England

IF informed the Board that she would be progressing the application to Sport England for the indicated initial £50,000 of funding for APT. The Board asked for Sport England to be requested to be flexible with the initial funding amount in order to ensure that, together with relevant fund transfers from the current hosting agencies, there would sufficient monies in APT's accounts for it to meet the costs of employing the initial group of APT staff over the first few months. **Action: IF**

e. Staff Transfer Arrangements from DCC and NTU

Workforce Paper: JK presented the previously circulated paper on the proposed APT workforce, with particular reference to the planned TUPE transfers of staff from NTU and DCC. JK drew the Board's attention to the following key points:

- At this stage discussions with DCC had taken place with management and unions, but not yet with directly employed staff; while at NTU direct discussions with staff had already taken place, with indications that they were generally content with the employment terms proposed for them within APT.

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The Board considered the importance to the effective operation of APT, to removing the pressures of uncertainty on affected staff, and to harmonious future APT working relationships with the local authorities in Derbyshire, of achieving a mutually acceptable, and financially viable, agreement with DCC and the relevant staff as early as possible. In order to give support to the negotiations being conducted on APT's behalf by JK, the Board endorsed the following actions:

- KM agreed to speak to Mike Ashworth (currently management lead at DCC as Deputy Director), Councillor Barry Lewis (Leader of DCC) and Councillor Carol Hart (Cabinet Member for Health & Communities at DCC), in order to put APT's case across. **Action: KM.**
- IF agreed to find out if a representative from the APT Board could attend the relevant September 2017 DCC Cabinet Meeting in order to help move matters to a suitable conclusion. **Action: IF.**

Benefits Analysis Paper: JK also presented the previously circulated paper on the proposed future benefits for APT staff. JK particularly drew the Board's attention to the following points:

- The currently proposed package was designed to provide attractive benefits to APT employees, in order to facilitate acceptance on the basis that the 2007 Directions did not apply to these circumstances.
- It was important to treat all future APT staff the same, to the extent allowable under TUPE terms; but the Board needed to recognise that the TUPE arrangements would necessarily mean there would be some differences between new staff (who would be entirely on APT's new terms of employment) and staff transferring from DCC and NTU employment, as such individual staff members would benefit from the TUPE protection of certain of their existing benefits.

During Board discussion, it was noted that the protection of existing travel cost reimbursement benefits, for transferring DCC staff, would restrict the distance of any new office location for APT in Derbyshire from the existing Ripley location.

f. Recruitment of additional APT Board Directors

The meeting agreed that it was important to move ahead with the recruitment of additional Directors and of an Independent Chair to bring the APT Board up to full strength. SLF undertook to draft and circulate to the Board the relevant more detailed recruitment process, drawing on the outline in the existing Board Terms of Reference, and noting the option under the Code for Sports Governance for Sport England to take an observer role in the process.

**Action: SLF**

SLF would also draft an initial succession plan for the APT Board, bearing in mind the meeting's wish to achieve an appropriate balance of continuity from the initial APT Board and of "new blood". The meeting also requested this work to include clarification from Sport England as to whether APT would be treated as an entirely new entity, or whether service on the boards of Derbyshire Sport and Sport Nottinghamshire would need to be included in the calculations of Directors' terms in office. **Action: SLF**

## 6. Operational Reports

a. APT Company Set-Up Actions: Summary Schedule

IF explained that an internal schedule had been established to log and monitor the various strands of actions involved in the progressive set-up of APT. SLF intended to provide a top-level summary for information at the Board's next meeting. **Action: SLF**

b. Gap Analysis of APT versus the Code for Sports Governance

IF reported that an initial "gap analysis" had just been conducted by Sport England to determine APT's current compliance level with the Code. IF and SLF undertook to review the initial analysis and draft an update and response for circulation to the Board before submission to Sport England. The Board noted that a number of decisions taken in the current meeting would allow APT to meet an increasing number of Code requirements.

**Action: IF/SLF**

c. Initial Business Plan for APT

IF reported that an initial business plan was being drafted for APT, based on prior work already discussed by the Joint Incorporation Working Group. IF expected to circulate a working draft to the Board within the next two weeks. **Action: IF**

In response to questions from the Board, IF explained that funding sources for APT to commence operations on 1 October were anticipated to include: £50,000 of interim funding for core costs from Sport England under a new Funding Agreement, as well as the transfer of remaining existing programme funding awards held by DCC and NTU as the hosting agencies for Derbyshire Sport and Sport Nottinghamshire respectively.

## 7. Approval of Company Policies

a. Financial Management Manual

IF reminded the Board that the draft of the APT Financial Management Manual had been reviewed prior to the meeting and that, as a result, the Manual now covered the key areas of: Financial Regulations; Delegated Authorities; Procurement; Payments; and Expenses.

The Board approved this initial version of the Financial Management Manual.

b. HR & Employment Manual

JK drew the Board's attention to the draft Employee Handbook, which was based on a similar document in use by the Hampshire & IoW CSP, and the accompanying policies (Equal Opportunity at Work; Family Friendly; Health & Safety; Ill Health; Absence & Sick Pay; Working from Home; Flexible Working; Holidays; Staff Recruitment & Selection; Performance Improvement; Pay; Redundancy; Use of Information; Staff Discipline; Staff Grievance; Whistle Blowing; & Standard Employment Contract) which had been circulated prior to the meeting.

After consideration, the Board agreed to approve the proposed APT Employee Handbook and the associated company policies and procedures.

It was noted that these documents would now be included APT's log of governance and policies documentation. **Action: JK/SLF.**

## 8. Identification & Approval of Service Providers for APT

### Initial Set-Up

The Board noted that, to assist with the initial set-up of APT, the following service providers had been previously discussed by the Incorporation Joint Working Group and included in the 2nd APT Set-Up Memo circulated to the Board on 27 July 2017:

- a. HR Arrangements:: - Kraft HR Consulting
- b. HR Legal Advice: - Archon Solicitors
- c. Corporate Secretariat: - Wharton Consulting

### Ongoing

The Board then reviewed the progress status and recommendations for the following providers due to be appointed to provide ongoing services to APT:

d. Legal Advisers:

The Board considered the single submission from Gateley Plc, noting that the firm was on the CSP Network list of preferred providers and would provide services at a preferential rate. In view of APT's immediate need for legal support during its set-up period, the Board agreed to approve this appointment.

In view of the developing needs of APT, the Board also agreed that future legal advice on HR matters would be sought from Gateley Plc from now on, and that Archon Solicitors would be informed accordingly. **Action: JK**

- e. External Audit:
- f. Pay Roll:
- g. Accountancy:

The meeting noted that eight potential service providers had been invited to tender for these three services, and welcomed the fact that these were local firms from across Derbyshire and Nottinghamshire. The tender document had made clear that, in the interests of

independence, APT would contract external audit with a separate provider from the payroll and accountancy support services. An evaluation of the tenders would now be undertaken against the requested service criteria, and circulated to the Board for a decision in due course. **Action: SLF/IF**

h. Pensions Administration:

The Board noted that APT will require a qualifying workplace pension arrangement to be provided for those employees who are expected to transfer from the Local Government Pension Scheme (LGPS), as well as for future employees, at the earliest opportunity, in view of the plans for APT to be in a position to become fully operational as from 1 October 2017.

In light of this urgency, the submission from Punter Southall Aspire, a CSP Network preferred provider, was agreed by the Board.

i. HR Support:

The Board agreed that it was in the interests of continuity to retain the services of Kraft HR Consulting to provide ongoing HR support to APT.

Additionally, a single quote had been sourced from Busy Bees for staff benefits and salary sacrifice schemes. Busy Bees are an existing service provider to Derbyshire County Council and this would therefore provide continuity for certain staff, and the Board accordingly approved the appointment.

j. ICT Support:

The Board noted that a CSP Network preferred provider and two local firms had been asked to tender to provide ICT support services to APT. These tenders would now be evaluated against the service requirements, and circulated to the Board for a decision in due course. **Action: SLF/IF**

k. DBS Checking Administration:

The meeting noted that a single submission had been received from GP Solutions to provide this service at a suitable cost. This was understood to be an important service, but that APT's expected activities meant that it was likely to be used in only a small number of cases.

The Board therefore approved the appointment of GP Solutions.

l. Insurance:

The meeting noted that the CSPN preferred broker, Perkins Slade, had been requested to source indicative quotes for insurance to cover amounts for the following categories: public liability, employer's liability, professional indemnity (including directors' and officers' indemnity), and legal fees and contents insurance. Detailed quotes were expected imminently and would be circulated to the Board for a decision in due course. **Action: SLF/IF.**

## 9. Risk Management

IF reported that an initial risk management matrix was being drafted for APT, and would be circulated to the Board shortly. **Action: IF**

An early risk had been identified in that notice had been given to Derbyshire County Council to terminate the licence for the premises in Ripley on 27 October 2017. In terms of mitigating actions, a number of possible new locations for APT's Derbyshire office were under consideration, but APT might require external expert assistance to secure appropriate premises in the desired time period. There were also indications that DCC would be flexible, if a temporary extension of the licence at Ripley proved necessary.

## 10. Any Other Business

### a. Dates of next APT Board meetings

The Board agreed to hold meetings, preferably on a monthly basis, during the set-up period of APT. It was agreed to hold the next meeting between 09.00 and 11.00 on Tuesday 26 September 2017.

### b. Initial Staff Recruitment

The meeting agreed with SJ's proposal that, while the process of staff transfers from DCC and NTU was being actively negotiated, APT also needed to commence work to recruit other key staff positions required for the company's planned activities. IF confirmed that two such appointments would be a Marketing Officer and a Schools Programmes Officer. SJ pointed out that, to move these matters forward, the recruitment of a Chief Executive for APT needed to be expedited.

*[IF left the meeting room and then returned after the ensuing discussion by the Board on this topic.]*

The conclusions of the Board' discussion were then agreed as follows:

MB would draft the APT Chief Executive job description & person specification, with any relevant input from JK and SLF, circulate the document to the Board for input, and then place the necessary open recruitment advertisement in appropriate websites and publications. Comparisons would be considered with job descriptions and pay rates for similar positions in other CSPs. **Action: MB/SJ/JK/SLF**

After consideration by the Board, via circular emails, of candidates suitable to be short-listed, interviews would be planned for Tuesday 26 September, with MB and SF as the Interview Panel, together with any appropriate observer from Sport England. **Action: MB/SF**

**END**

## APPENDIX

### Agenda Item 4d: Resolutions passed by the APT Board:



"It was resolved that a **banking relationship** will be maintained with National Westminster Bank Plc (the **Bank**) in accordance with this mandate and that:

- the individuals identified as **authorised signatories** may, in accordance with the **signing rules**:
  - sign cheques and give instructions for Standing Orders, Direct Debits, electronic payments, banker's drafts and other payments on the accounts even if it causes an account to be overdrawn or exceed any limit;
  - sign, accept or endorse bills of exchange;
  - request and give counter-indemnities for the issue of letters of credit or **Guarantees** (including bonds, indemnities and undertakings)
- **Authorised signatories** identified in the **signing rules** for unlimited amounts may, in accordance with the **signing rules**:
  - sign facility agreements for overdrafts or the issue of letters of credit or Guarantees;
  - sign agreements for electronic products, including payment systems, and appoint or remove administrators and operators of those electronic products. The Company/LLP authorises the administrators and operators to exercise the powers detailed in the terms of each electronic product. These powers may be extensive and include the power to:
    - make payments and access information on behalf of the Company/LLP, and in the case of administrators, the power;
    - to appoint and remove other administrators (with the same powers) and operators.
- any **authorised signatory** may give other instructions or requests for information to the Bank in relation to the accounts; opening accounts with the same **signing rules** and **authorised signatories**; closing accounts; or other banking services or products;
- the Bank may accept instructions that do not have an original written signature provided the Bank is satisfied that the instruction is genuine and subject to any other agreement the Bank may require for those instructions;
- this mandate will continue until the Company gives the Bank a replacement mandate or the Company passes a resolution changing the **signing rules** and/or adding or removing an **authorised signatory** by completing and returning the Change of Signing Authority form in which case this mandate will continue as amended."

"It was resolved that:

- the **Cardholders** (who are also Authorised Signatories to the bank account cards are being requested for) are authorised to request and be issued with Debit Card(s) and/or Debit Card details (including replacement cards, card details and security details) for use in relation to the operation and the giving instructions in relation to the bank account;
- the Signing Rules contained in the mandate provided to operate the bank account cards are being requested for be supplemented (but not replaced) by the additional Card Transaction Authorisation Rules which will apply to the operation of the bank account using a Debit Card or Debit Card details. The current mandate to operate the bank account shall accordingly continue as supplemented and amended;

- the Customer agrees to be bound by the Debit Card Terms contained in the Terms Booklet and any amendments made to them from time to time. These terms apply in addition to the terms and conditions for the bank account, which shall not be prejudiced or affected by the Debit Card Terms;
- the Customer agrees that all transactions authorised by a duly authorised Debit Card should be debited to the bank account cards are being requested for and that the Customer accepts liability for any unarranged overdraft resulting from any such transactions;
- that Cardholders may use their Debit Card to order cheque books and statements and to obtain details of the balance on an account; and
- the Bank may continue to rely upon this Resolution until it is revoked in writing by a suitably authorised notice to the Bank."