

STAR MAT Board of Trustees' Finance, Audit and Risk Committee

Minutes of the meeting held Tuesday 23rd March 2021 at 5.30pm via Google Meet

Present: Tom Fielden (Chair), Peter Wilson, Simon Peacock, Clare Thornton-Eckford, Nick Sheppard (from item 4.6), Alison Smith, Frances Dodd, Deborah Hastie (from item 4.8.1)

In attendance:

Ian Yapp (CEO, STAR MAT)

Melissa Boyes (COO, STAR MAT)

Iain Tessier (Clerk, Governance Advisor – STAR MAT)

1.0 Welcome, Apologies for Absence and Declarations of Interest

The Chair welcomed all to the meeting.

- 1.1 Apologies were received and accepted from Richard Coy. Deborah Hastie had indicated that she would be late arriving. There were no declarations of interest.

2.0 Minutes of the Last Meeting – 26th November 2020

2.1 Resolved:

Governors agreed that the minutes of the last meeting, held on 26th November 2020, were a true and accurate record of that meeting and the Chair was duly authorised to sign the minutes.

3.0 Action Plan and Matters Arising

- 3.1 Actions from the previously meeting had been completed and/or dealt with during subsequent meetings of the Board.

4.0 Finance

Prior to the meeting Trustees had received the following documents:

- Revised MAT central budget, with accompanying monitoring report
- MAT central budget commentary
- Revised Trust/school budgets, with accompanying monitoring report
- Revised Trust/school budgets commentary
- Key recommendations from the Central Services Review process
- The SRMSAT submission, with accompanying commentary

- 4.1 With reference to the MAT central budget papers, the COO highlighted that the in-year surplus anticipated at start budget (approx.. £96.4k) would be slightly less favourable at year end (circa £60k). The majority of the variances that had impacted on the in-year position had been discussed previously and mainly related to staffing, cleaning and changes in contract costs. The COO invited comments and questions.

- 4.1.1 A Trustee asked whether the details of the MAT central budget been shared with LGBs? No, generally speaking it had not. Should the Trust do that in order to aid transparency and trust – after all there was nothing controversial or confidential in the material. The Chair agreed that this would be helpful, adding that all parties should be clear on reporting expectations and where they started and stopped. A Trustee asked what prompted this view that more details of the MAT budget should be shared? The COO reflected upon the fact that some governors believed there to be some mystery/opaqueness around the Trust's finances and this was an effort to mitigate this. The COO added that there was no opaqueness – all of the key MAT

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budget documents and the accounts could be viewed on the Trust's website and material was already shared when requested. The Chair encouraged top level reporting, where the numbers had got to and why. The COO was minded to share both top level data and the detail therein. Trustees agreed with the principle of sharing details connected to the MAT's central budget.

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4.2 **Resolved:**

Trustees approved the revised MAT central budget.

4.3 With reference to the revised Trust/schools' budgets, the COO noted the following with regards pupil funding:

- Overall, the Trust's schools were up 26 students. Mainly driven by increased pupil numbers in certain primaries.
- Funding across the piece was £649k up on last year
- Pupil numbers were down in TGS, particularly in KS5 and this had resulted in a drop in funding of circa £13k for that school.
- Saxton's continued falling roll meant that their funding was down £17k.
- The pay and pension grants and the benefitting from the minimum pupil funding guarantee were the main contributors to the overall increase in funding.

Comments and questions were invited.

4.3.1 To what extent had the increases reflected on the budget, other than would have been the case anyway. This position was better than was forecasted because the Trust had assumed flat income when compiling its first revisions. What level of pay increase was being budgeted? 1% was the projection. Pay could be flat but the COO said that one could never quite trust government announcements nowadays.

4.3.2 A Trustee was concerned by the -24 students in KS5 at TGS. This really stood out amongst the figures. This not only affected funding now but would likely impact elsewhere in the school down the line. The COO acknowledged that the situation meant that KS3 and KS4 effectively subsidised KS5. A working party to look at KS5 had been floated previously but due to priorities linked to Covid no progress had been made. It was noted that the downward drift was not in evidence at SHS. The CEO added that this position could lead to 'bleed' in the lower school – if families were not going to run through to 6th form then why start your child in Y7. The Chair of Trustees was very concerned by developments and indicated that a 6th form working party was needed ASAP. Leadership needed to indicate what they were doing to improve their offer to students, for example how new technologies would be better incorporated. This matter kept coming up but nothing was done about it. TGS was looking at a big drop and a downward trend and SHS numbers were broadly static. The CEO advised caution. Everyone needed to know whether the situation was fuelled by the current climate. The Chair of Trustees replied that surely Covid made it more likely for students to stay put. Some of the reasons put forward to date about falling KS5 rolls seemed indicative of inaction.

4.3.3 Had numbers been lost in other year groups, as well as 6th form, at TGS? To some extent yes, numbers were fluctuating. The Trustee wondered whether there was a bigger issue to consider. If students were leaving, or certainly not joining Y12, the Trust needed to be mindful of whether families ended up migrating as a whole, i.e. taking younger siblings on roll with them. It was agreed that the CEO should move to establish a KS5 working party.

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4.3.4 A Trustee raised concerns about the long-term viability of Saxton. It was clear that the school would be losing money over the next few years due to falling roll and there didn't seem to be many options to alter that fact. The COO shared this concern. Sustainability needed to be looked at but was this right time to consider any big decisions. The CEO added that when, for example, only two families moved this had a relatively big impact on their budget – the long term viability was a concern. Currently, the schools budget was run in combination with Monk Fryston and the executive head was facing a challenge trying to balance the books. A Trustee asked whether their budgets could be formally combined? The CEO and COO would have to look into this. A formal merger was possible perhaps but there were factors other than just the

budget that might affect feasibility. Had the Trust looked at restructuring staffing for Saxton with their executive head? The CEO acknowledged that this should be considered and he would speak to Mr Weights. The CEO made clear that what was in place for September would have to be run with and any changes would be implemented further down the line.

- 4.4 The COO was asked to speak about pupil projections generally and the COO noted that there would be discussions on growth plans for certain schools with NYCC admissions. LGBs needed to be looking at the current and projected pupil numbers every term and challenging leadership on those numbers where necessary because pupil numbers were the main driver for funding. The COO added that both Appleton Roebuck and Riverside were also experiencing a drop in numbers due to lack of new housing in those areas. They too might have to take action structurally to stave off potential budget issues in future years. The primaries in the Sherburn locality were heavily oversubscribed and this could impact on schools beyond the locale. The Kirk Fenton expansion project was back on the table, with a view being taken on shifting its capacity to 315 pupils.
- 4.5 The overall variance in the schools' budgets was £116.6k, of which £107k was attributable to SHS, who had given the Trust the wrong numbers for the start budget. The otherwise £10k difference an indication of better budget planning and delivery. Given the big impact from Covid, such as loss of income from wraparound care facilities the overall picture was pretty healthy all things considered.
- 4.5.1 A Trustee raised concerns about SHS's budget. There had been well documented issues previously, resulting in them not being able to join the Trust and then Trustees had been looking at varying in-year positions and now the Trust was saying they sent over a budget that was £100k out. Could the Trust have confidence in their team? The COO believed so. A new SBM was coming into post after Easter (there was also a new SBM starting at TGS) and leadership was excited to start afresh with the new SBMs making up a secondary team. With budget management processes all on the one BPS system there was confidence that such an oversight would not happen again. There was acknowledgement of an error on their part. The Trustee noted that full confidence had been indicated previously only to see this matter being reported this time. The COO accepted the challenge. A Trustee noted that the secondary budgets on the whole did not build around strategic development. The COO replied that new budgets would be worked on and presented. Both school's LGBs had launched finance working parties to look at budgets in greater detail and with increased scrutiny. Trustees noted their dissatisfaction with the position at SHS and indicated that this could not happen again. There were similar problems about oversight at TGS. Whatever the issues, the buck stopped with their headteachers. These schools had large budgets and they needed to have clear understanding and oversight of what was going on with their budgets.

Nick Sheppard joined the meeting

- 4.6 Overall reserves were currently projected to fall to £965k, principally down to the swing in the SHS budget. However, the COO did not believe there would be an in-year deficit across the schools for the year overall. The Chair thanked the COO for the level of reporting and for the candour in the commentary. The Chair went on to note that, as it stood, the Board would not be approving the budgets showing for next year owing to the level of the forecasted in-year deficit. The COO noted that at this time Trustees were only required to approve the one year budget but accepted the Chair's challenge that years two and three had to be addressed.
- 4.7 **Resolved:**
Trustees approved the Trust/schools' revised budgets.
- 4.8 The LGB at Kirk Fenton wished to escalate to the Board the matter of their current budget deficit. The governors were requesting that Trustees utilise reserves to expunge the deficit, which was historic and was impacting on the provision for current students due to the ongoing need to try and reduce it. The COO said that this matter was for discussion rather than a decision at this stage. Speaking in favour of the school, the COO said that the school's

leadership had prepared a balanced budget moving forward and budget monitoring processes were vastly improved. The deficit had largely arisen from an unsustainable situation re: PAN of 35 (now reduced to 30) issues with the nursery. The Headteacher believed that Trust support was required to deal with the remainder of budget deficit because it was clear from recent investigations and their findings that there were no further recommendations for delivering budget savings. The COO felt that the Board should consider supporting the request, however, they cautioned against agreeing to clear the deficit in full because of the precedent that would be set. The Board could consider agreeing to clear 50% of the deficit. Whilst a final decision was arrived at, the COO suggested getting AVEC to assess whether any further savings could be made. The COO welcomed Trustees' comments and questions.

Deb Hastie joined the meeting

- 4.8.1 Trustees debated the request. Frank views were exchanged. A Trustee was concerned about how this would look to other schools in the Trust and the communications that would go out. Trustees recognised the good work in restoring the school to a balanced budget position but it was indeed a risky precedent to agree to clear a deficit budget. It somewhat removed the accountability for the deficit. Trustees acknowledged that reserves were there, in part, to support schools that were struggling with their budget and there had to be perceived benefit from being in a MAT, however, all of this had to be balanced by an understanding about the need to set balanced budgets and keep to them and to take responsibility where budget management had led to a problem.
- 4.8.2 The Chair favoured a more mixed position and asked whether the Trust could initiate a loan repayment system – i.e. the Trust could put monies up front to clear the deficit on the proviso that the monies be repaid over a defined period, possibly extending up to ten years. This would make for a softer landing. The COO could see the merit in this and it would allow the school to build its own reserves as there could be some bumpy years while the school expanded (if indeed that plan moved forward). Having a repayment line in the budget, as opposed to constantly having to address an immediate substantive deficit would also allow the school to invest its funding for its current children on roll. A Trustee welcomed the move to some extent but returned to the issue of perception. Kellington had been in a similar position to Kirk Fenton but had worked very hard to remove its deficit and had now done so. What message would this send to them – you could have just passed it to the MAT Board and asked them to deal with it. Notwithstanding that point, the idea of a long-term loan did have merit. Would it be interest free? The COO had not given the loan idea any deep thought. Trustees agreed that a long-term loan deal struck a good balance between incentive and accountability.
- 4.9 The CEO noted that this had similarities to that which NYCC could do for their maintained schools facing ongoing deficits that were difficult to reduce. Whatever was decided there needed to be a clear methodology and process so that the Trust could show rigour both now and in the event that there were similar situations in the future. The CEO and COO to investigate how to take this forward and return with a proposal.
- 4.10 The COO directed Trustees to the management response to the CSR review. Certain schools had been asking to see this and therefore the COO wanted Trustees' approval to release it more widely. The recommendations in the review were being worked on. Trustees were happy for the management response to be circulated.
- 4.11 The SMRSAT (SFVS for maintained schools) had been completed and Trustees had reviewed it. The elements to work on had been highlighted by the COO. Questions and comments were invited. None were lodged.

Resolved:

Trustees approved the SMRSAT submission as presented.

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5.0 Audit

The findings from the internal audit on governance had been circulated prior to the meeting.

5.1 The COO confirmed that this audit had been concerned with governance and policy compliance across the Trust. It was not an audit of the governance services provided by CYC. The COO had been very aware of some of the issues highlighted, before they were visible in the report. Oversight of risk management, in particular, was one area that needed to be addressed. Efforts to date in this area, particularly at local level, were insufficient. The updated MAT level risk register would be presented at May's FAR Committee meeting.

5.2 The Chair asked if there were any other areas that the Trust particularly needed to focus its attention. The COO replied that local level policy tracking was patchy and in some cases not up to standard. The Chair wondered whether there was a case for elevating further statutory and essential policies to Trust level. The CEO noted that steps were being taken to do just that. Final drafts of certain previously local level policies were being prepared for approval at Trust level. Local boards may be required to add in local variations. Website compliance was also an area for concern and the Trust was trying to contract another supplier to perform an annual website audit for each of the schools' websites. Finally, training levels for governors and Trustees had been noted as insufficient. This was an area that the Governance Advisor had been highlighting for some time and with good reason. Completion rates for core training modules were improving but there was work to do. Responding to a query from the Chair, the GA said that the Board had approved a credible training matrix and it was important for all parties to attend to designated training therein. Trustees and governors brought considerable skills and experience from their professional lives but governance processes and oversight were often quite specific and therefore governor/Trustee understanding was enhanced by completing specific governor training. A Trustee noted that the visibility of training at Appleton Roebuck was already reaping benefits in terms of governor scrutiny and engagement. Another Trustee pointed out that it was completely reasonable for individuals to be asked to attend to a few hours of training every term. The CEO agreed to raise the matter of training again at the Chairs' forum. Further general discussion followed. It was noted that internal induction processes at Trust level were going well and preparing governors well for their role on LGBs.

5.3 The COO noted that the internal audit for this term was a retest of procurement processes.

6.0 HR

Trustees had received the following information prior to the meeting:

- TUPE
- Holiday pay calculation for TTO staff
- Safeguarding/Inclusion lead post
- Working draft of the required new Trust level Pay Committee ToRs

6.1 Holiday pay for TTO staff

Such staff qualified for a minimum of 5.6 weeks' worth of holiday pay. This to be backdated to April 2020. A Trustee asked why, when the ruling from the legal case on this issue dated back to April 2019, the Trust was only seeking to rectify matters from April 2020. The COO explained that this matter had been through the trade unions and a recommendation had been proposed thereafter. The Trustee summarised why and how this could leave the Trust open to risk. There were questions about moral, as well as legal, obligations. The Trust needed to be doing the right thing. In light of their colleague's interjection, the Chair asked to have the fullest information possible before coming to a decision. The COO said that she had been back to AVEC for guidance and was awaiting a response. The Chair was happy to proceed on the basis outlined if that was the negotiated settlement, although it was pointed out that individuals were not necessarily bound by collective agreements in this instance. Discussion followed.

Resolved:

Trustees agreed to delegate a final decision in this case to Nick Sheppard and Clare Thornton-Eckford. Any outcome to be reported back at the next meeting.

Agenda

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6.2 Pay Committee ToRs

With the Trust moving towards further centralisation of the processes around approving teacher pay progressions and the evaluation of assessment processes therein next academic year, the CEO felt it would be of benefit to update Trustees on progress to date. LGBs would still conduct a local appraisal meeting, with the CEO in attendance, but this would be strictly advisory in nature. The CEO would be moderating recommendations from headteachers before bringing those recommendations to a Trustees' Pay Committee. The committee would also fulfil this function with regards support staff. An appeals committee would also need to be established in due course. The CEO was in ongoing consultation with the GA and AVEC on process details. JCC union colleagues had been consulted on the pay policy and feedback received. A process map for the new ways of working would be drawn up, along with consideration of the logistics of committee membership and meetings etc. The principle of being a single employer meant that appraisal processes had to be consistent from school to school and the CEO was there to add that layer of moderation. Trustees had also raised issues with the consistency of LGB pay committee processes previously and the proposal was a way to address this. Trustees welcomed the steps taken to date. Further information to follow at the May Board meeting.

6.3 Safeguarding lead post

Resolved:

Trustees approved the proposal to extend the temporary contract arrangements with Cayte Mulhern and TGS.

7.0 **Operations**

With regards contracts, Trustees were provided with information linked to the following:

- Governance
- External Audit and the Appointment of Auditors
- Payroll
- Legal
- Cleaning

7.1 Everything was progressing well with the switchover to the new cleaning supplier. They were clearly very professional. The Trust was confident that the right decision had been made with regards securing a superior service. The Trust was on track for TUPEing caretaking staff on 1st April. One issue outlined by the COO was being resolved. The Chair thanked the COO for orchestrating manoeuvres during a difficult crossover period between suppliers.

7.2 The Payroll changeover was on track for 1st April. The bank and HMRC links were in place. Training was scheduled for relevant staff. The COO noted that this should be a positive step for all employees. The remaining outstanding issues were highlighted in the report circulated.

7.3 The Trust had procured a new legal provider, as NYCC were unable to support the Trust in all the ways that were needed. The procurement process had been conducted via a panel. Stoneking had been selected as the preferred provider. The CEO reflected on a good first impression of their service. Responding to a Trustee query, the COO noted that the new contract would cost £2k extra per year. The CEO added that there was huge additional value through the scope of their services and that Stoneking had provided the least expensive quote.

7.4 With regards governance services, the service provided to date from CYC had been very good. NYCC were unable to quote at present for a similar support package. The COO proposed a 1 year extension to the CYC contract, pending a full procurement exercise in 2022. The overall cost of the contract showed a £2k increase on the previous year, although there was a potential for small savings on meetings costs (by having fewer meetings at LGB level) that may negate that small increase

Resolved:

Trustees approved a one-year contract extension for governance services through CYC.

7.5 The COO firmly recommended retaining the services of Sagars as external auditors. A tender process was required in due course but, given the unprecedented period the Trust had been

through and the good working relationship with Sagars, now was not the time to be considering any changes.

Resolved:

Trustees approved retaining the services of Sagars as external auditors for another year.

- 7.6 In respect of catering, the Trust needed to move to a full tender process for the primaries. This had been postponed last year due to lockdown. The schools continued to be frustrated by poor service and increased fixed meal prices.

Resolved:

Trustees approved the move to a full tendering process. The Chair to join the panel. Further update from the COO at next meeting.

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8.0 Communications Strategy

Trustees had received a paper in relation to this prior to the meeting.

- 8.1 The CEO noted that the 'first thoughts' communications strategy paper had not been drafted sooner, as he would have liked, due to other matters taking priority. This area of strategy did need to be further developed and needed to be smarter. The CEO was suggesting the formation of a Working Party, involving Trustees, school staff and other MAT officers to consider the first thoughts paper and to turn this into a methodology for communications and implementation thereafter. The cost of evolving and delivering the strategy needed to be discussed. Trustees' views were welcomed – Mrs Hastie had already provided some input based on her experience in this area.

- 8.2 The Chair of Trustees shared the CEO's view on the need for a proper communications strategy and wondered whether the Working Party should have student representation on it, so that the Trust clearly understood the views of the student body. The CEO welcomed student involvement down the line but not in terms of the Working Party to develop the draft strategy. Trustees and MAT officers had to be clear on what they felt the Trust needed – to scope out the parameters etc – but student and other stakeholders would certainly be consulted on the plans thereafter. Several Trustees indicated a willingness to support the Working Party.

Working Party

9.0 Digital Technology

Prior to the meeting, Trustees had received an update on developments with the DT strategy and a paper outlining some of the technical aspects in relation to this issue.

- 9.1 With regards the technical information provided to Trustees, the COO noted the challenges and limitations on core infrastructure that the Trust faced. There were capacity implications due to lack of bandwidth. The executive intended to keep exploring options. There was also discussion on the best method by which to get the right devices into the hands of young people. There was a meeting scheduled to look at the best model for a shared infrastructure via a data centre, with the CEO talking to school leaders and ICT leaders about this. The idea was to tick off as many of the challenges and build integrity. School leaders were certainly keen to look at the vision in this area and wanted a commitment to being active in the area of digital learning in the classroom. A digital learning strategy group was being led by Martyn Broom.

- 9.2 A Trustee asked about gaps in learning generated by certain pupils perhaps not having the access to technology like their peers. The CEO replied that many of the gaps in learning were not due to a lack of device, in fact, much of what was being reported as issues related to fall off in core and motor skills. There was also an element of device and virtual classroom lethargy. Most children were clearly very happy to back in school receiving face to face learning. That said, the Trust acknowledged that going forward all teaching needed to blend face-to-face learning with the benefits of technology used to enhance provision. The CEO said that he would be providing an update to Trustees on progress and assessment, first in May and then again in the Autumn.

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- 9.3 With regards provision of devices, how would the Trust mitigate damage to devices etc? Was there any evidence of impact on standards, from external bodies, which would support high level investment? Would the Trustees be challenged on the investment if it was viewed as not the right decision? The CEO replied that the high schools had over-leased to gain additional machines that could be loaned out whilst repairs were undertaken on any leased device. All leases were subject to acceptable use agreements. With regards the second point, this was why there needed to be broad support and investigations by a strategic working group. And yes, Trustees could be challenged on investment where gains ended up being perceived as negligible, again this was why the whole strategy needed to tie together.
- 9.4 The Trust's high schools included feeder schools that were not in the Trust. How would the leadership manage the digital tech strategy around those pupils feeding through from other primaries (Athlestan for example)? This was a good question. The Trust had to support them as best as possible on arrival but prior to that point they could not impose their approach and put expectations on external schools. The research groups had been briefed to look at what was considered best practice in terms of weaving technology in to provision. The relevancy of technology and its use was being researched by the MAT and indeed nationally. HMIs were very interested in this area of research and the current messages were advocating the need for a mixed approach and that outcomes were positively impacted by utilising new technology.
- 9.5 There was a discussion about the use of various platforms/software. The CEO outlined why Google Meet/classrooms had been used to date. Was this the best platform moving forward? The Trust was examining what the evidence gathered to date was saying. The Chair of Trustees added that there needed to be equality of provision across all schools in terms of teaching and access to technology. The Trust had to examine whether it was beholden to provide a device for certain children (such as PP pupils). Before all of this could happen, the issues around infrastructure had to be focussed on and resolved. Levelling up for SEND and PP pupils made a huge difference; for them to feel closer to their peers.

10.0 Policy Review

- 10.1 The CEO briefed Trustees on how the Trust intended to take the wellbeing strategy forward. Trustees were happy with the draft strategy circulated prior to the meeting.

10.2 Resolved:

- Trustees approved the following policies (as circulated):
- Educational Visits
 - Lettings
 - Social Media

11.0 Any Other Business

None.

The meeting closed at 8pm

Actions from the Meeting

1. The COO to share details of the MAT central budget.
2. The CEO to establish a working party to look at issues with student numbers in KS5.
3. The CEO and COO to investigate the possibilities of a formal merger between Saxton and Monk Fryston. The CEO to speak to Mr Weights about whether there was a need for staff restructuring at Saxton (feedback June meeting).
4. The CEO and COO to formulate a proposal with regards the budget deficit situation at Kirk Fenton (for May meeting).
5. The COO to source a contractor to complete website compliance checks on the Trust and schools' websites.
6. The CEO to raise the issue of governor training again at the next Chairs' forum.
7. The Chair and Vice Chair of Trustees to feedback any decision taken under delegated authority re: holiday pay for TTO staff.
8. The CEO to continue work on the processes for delivering a Trust Board pay committee.
9. The COO to update on progress re: the catering procurement process.
10. Working Party to look at communication strategy.
11. The CEO to update Trustees on pupil progress and assessment and gaps in learning identified (May Full Board meeting).