

STAR MAT Board of Trustees Finance, Audit & Risk (FAR) Committee - Virtual

Minutes of the meeting held on 1st February 2022 at 5.30pm, using Google Meet

Present: Tom Fielden (Chair) Peter Wilson
Deborah Hastie from 17.42pm Richard Coy
Simon Peacock

In attendance: Ian Yapp, CEO STAR MAT
Melissa Boyes, COO STAR MAT
Sam Vince (Clerk)

1.	<p><u>Welcome, Apologies for Absence and Declarations of Interest</u></p> <p>The Chair welcomed everyone to the meeting. All Trustees were present.</p> <p>There were no declarations of interest in regards to the items on this agenda.</p>								
2.	<p><u>Minutes of the full governing body meeting held on 30th November 2021 including confidential minutes – previously distributed</u></p> <p>The Trustees were in agreement that both sets of minutes were a true and accurate record of the meeting.</p> <p>The Trustees duly approved both sets of minutes.</p>								
3.	<p><u>Action Plan and Matters Arising</u></p> <p>With reference to the Action Plan:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 5%;"></th> <th style="width: 40%;">Action</th> <th style="width: 55%;">Status</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top;">1.</td> <td>The CEO suggested he had a meeting set up with the Diocese Director of Education in January in which they could look at this.</td> <td> <p>Closed - The CEO stated the Diocese had confirmed the licence would only be revoked if there was deemed to be a failure of trust between the Diocese and the MAT, such as the undermining of Christianity, an inadequate SIAMS inspection with no pathway to improve or if the school closed. He also stated he did not feel the MAT was at any risk of these and there had not been a case where the Diocese had rescinded a licence.</p> <p><i>Trustees requested the response from the Diocese regarding licences was confirmed in writing as mitigation against the risk of losing the licence.</i></p> </td> </tr> </tbody> </table>			Action	Status	1.	The CEO suggested he had a meeting set up with the Diocese Director of Education in January in which they could look at this.	<p>Closed - The CEO stated the Diocese had confirmed the licence would only be revoked if there was deemed to be a failure of trust between the Diocese and the MAT, such as the undermining of Christianity, an inadequate SIAMS inspection with no pathway to improve or if the school closed. He also stated he did not feel the MAT was at any risk of these and there had not been a case where the Diocese had rescinded a licence.</p> <p><i>Trustees requested the response from the Diocese regarding licences was confirmed in writing as mitigation against the risk of losing the licence.</i></p>	CEO
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	2. The recorded square metreage for SHP would be adjusted next year.	Carried forward – confirmation this had been actioned was sought.
	3. Trustees approved the SCA investment for 2022 approved, as per the circulated plans.	Closed.
	4. The Chair wanted to see a report capturing all of the 165 users that should be on there (Every)	Carried forward.
	Confidential minutes	
	1. The CEO acknowledged that point and would check the future bandings with HR ahead of any advert	Completed - fed into the recruitment group meeting.
	<p>[Deborah Hastie joined the meeting at 17.42pm.]</p> <p><i>Matters arising</i> One item of confidential AOB was noted to be discussed at the end of the meeting, prior to which the COO would be asked to leave the meeting.</p>	
4.	<p><u>Impact of Covid on operations</u> – verbal update from CEO</p> <p>The CEO explained to Trustees that the position was hugely varied across the Trust and changed week to week. He confirmed South Milford and Saxton had been badly hit but Monk Fryston, Tadcaster Grammar and Sherburn were all stabilising. Riverside had been consistently badly affected with most classes bubbled. He confirmed the situation at Riverside would impact the imminent Headteacher recruitment process. There was rising prevalence at Appleton Roebuck in years 3 and 4 and the Head was also absent. The CEO confirmed that the wearing of face coverings in communal areas had been retained in some schools.</p> <p>It was hoped Trustees and governors would be able to meet face to face in the next round of meetings in March, but this would be subject to risk assessment.</p> <p>Operationally, cleaning and catering contracts had been impacted with staff absence not always able to be covered. Hot dinners had continued to be provided thanks to North Yorkshire moving catering staff around schools and cleaning had been badly impacted but the situation was improving.</p> <p><i>A Trustee queried whether remote learning was still effective.</i> The CEO agreed that on the whole it had been but there had been some instances where there had not been sufficient capacity to maintain on site and remote learning, due to staff sickness. He also confirmed that most instances of staff absence were due to staff being poorly not just isolating.</p> <p><i>A Trustee asked whether Headteachers would take a view on whether planned parent evenings would be in school or virtual depending on their circumstances.</i> The CEO confirmed this would be discussed at the next operational meeting. Given the disparity between Covid impacts in schools, it would be not appropriate to set a MAT wide direction as it would depend on the severity of impact on schools at the time, but he wished to understand the plans Headteachers were putting in place.</p>	
5.	<p><u>Finance</u></p> <p><i>5.1 Review of budget position</i> – previously distributed The COO highlighted the key points to Trustees;</p>	

- Consolidated forecast outturn surplus £258,445
- Consolidated planned outturn surplus £165,825
- Reserve balance brought forward £2,323,000
- Forecast reserves balance £2,581,445

It was noted that the team were working on automating the process to make it more efficient.

Key differences from the start budget

- The GAG was slightly different as some grant income had been received after the start budget had been submitted.
- Pupil Premium numbers had reduced as some numbers had changed in schools.
- Catering income had also reduced as numbers of school meals had reduced.
- In expenditure the teachers' pay award had been removed but pay increments had increased.
- A pay rise for support staff of 1.75% had also been included and supply costs were greater due to Covid.

A Trustee challenged the funding for 6th form students as the numbers didn't look correct.

The COO stated there was a known issue with a school booking items to the wrong place and they were resolving this with the school involved.

It was also noted that some schools were not submitting their budget management outturn every month and the team was also resolving this with the schools involved.

Trustees thanked the COO for explaining the variances and agreed there was a favourable outcome in terms of surplus. Trustees noted the content of the report.

5.2 Approve revised budget pack for schools – previously distributed

The COO noted the pack included the commentary all schools had to complete to present to their LGBs, a budget preparation guide of material schools needed to have to prepare their revised budget and an assumptions paper. The COO was seeking approval from Trustees for the assumptions paper in particular. It was confirmed, upon questioning from a Trustee that the finalised pack would be circulated to those Trustees with link roles for schools. Trustees proceeded to discuss the assumptions.

Energy

The COO had included a price rise of 15% each over the next three years to smooth out the impacts rather than the 55% North Yorkshire had advised they were expecting in the next year (although it was not known when). She confirmed no increases in costs had yet been received.

A Trustee requested confirmation as to the details of the contracts and rates the MAT was currently on.

The COO confirmed they were in contract until 2023 but she had been unable to confirm whether the rate was fixed or variable. She also explained procurement was undertaken from YPO under a North Yorkshire umbrella to obtain the best price.

A Trustee challenged why an increase of only 15% had been included when the expected rise was 55% and what the basis was for 15%. It was also asked what this increase equated to in money terms.

The COO confirmed she had consulted with the estates director and given there had been no increase in price yet and there would only be an impact for a small amount of the year before the next budget was effective, 15% had been agreed. This equated to approximately £412,000.

Trustees felt that a 15% increase was too low and 55% was too high and discussed how best to

	<p>represent an increase in the budget. It was also noted that school budgets were already stretched but they could use their surpluses to fund energy price rises, which would not impact the schools. It was agreed the COO would change the wording on the assumptions and budgets papers to state ‘budgets were required to reflect a 15% increase in energy costs and schools would need to ensure they had money set aside to fund energy cost increases up to 55%.’</p> <p>[Deborah Hastie left the meeting.]</p> <p>The COO brought to the attention of Trustees that the Capital Allocations team had confirmed some funding would be transitional and removed from the following year, but clarification was still awaited. Trustees approved the revised budget packs on the basis the agreed changes were made.</p> <p>5.3 SRMSAT Submission approval – previously distributed <i>A Trustee requested confirmation as to how the audit reports were only fulfilled ‘in part’ (question 38).</i> The COO stated this was due to there not being one central log which included all outstanding actions, but it was known what these were and they were being dealt with. Trustees approved the SRMSAT submission with no changes.</p>	
6.	<p><u>Audit & Risk update</u> – previously distributed</p> <p>6.1 Resources Risk Register review The COO confirmed two risks had been reduced to amber and three increased to amber. One risk relating to an outstanding HMRC bill had been escalated to red. Trustees agreed the financial risk associated with the increase in energy bills should be added.</p> <p><i>A Trustee asked what the mitigation was for the tax risk which was now red.</i> The COO confirmed solicitor’s letters had been sent to EPM (HR provider) to request they expedite the investigation into the calculation which HMRC said was incorrect. The MAT was unwilling to pay a bill until the correct amount was confirmed, but this meant the interest was accruing daily (at 38p per day) and the matter could take some time to resolve given Covid related backlogs. Trustees agreed to discuss this matter further outside of the meeting.</p>	COO
7.	<p><u>HR/Staffing</u> – previously distributed</p> <p>7.1 MAT Central Team Staffing update The COO confirmed the new Finance team had settled well and the vacancy for the HR & Payroll co-ordinator had been advertised. It was noted a key member of staff was likely to be taking extended leave shortly and options were discussed as how to manage this workload. It was agreed the CEO and COO would review the contracts due for renewal to understand the full impact of the additional workload and who would be best placed to support this, taking current workloads into account. They would also consider whether the vacancy for a procurement manager could be extended to include some contract management. Trustees agreed a revised proposal paper including all costed options should be issued to Trustees to gain their views, prior to the recommended proposal being enacted.</p> <p>The Safeguarding role was noted by Trustees.</p> <p>7.2 Gender Pay Gap reporting including Pay committee questions The gender pay gap had reduced slightly in this year (from 65% to 63% female employees) but it was still a very positive picture. Approved by Trustees.</p>	CEO & COO

	<p>7.3 Approval of Support Staff Pay Award (1.75%) The COO confirmed NYCC had indicated this was the likely pay award and it would be backdated to April 2021. If this was processed as a bulk payment by the MAT prior to April 2022, there would be lower NI contributions due to planned increases in the new tax year. She committed to re-visit this with Trustees if a higher increment was negotiated. Approved by Trustees.</p>	
8.	<p><u>Contracts & Procurement update</u> – previously distributed</p> <p>[Deborah Hastie re-joined the meeting.]</p> <p>Catering The COO stated there had been issues with Covid and longstanding service issues with the current provider. Staff not been managed properly for many years and under their new contract the area manager was supposed to resolve the staff issues but had been unable to do so due to Covid. There were also issues with communications, food delivery and food shortages. The working party had suggested they should formalise their complaints in writing to the provider with a view to leaving the contract. The catering company had called an emergency meeting with the MAT to discuss the issues raised and did not resist them leaving the contract. Therefore the options were to go out to tender for another supplier or to bring catering in house, with the latter being the preferred option of the schools.</p> <p><i>A Trustee queried why the decision had been made to leave the contract now given there had been issues for some time.</i> The COO confirmed when the contract was last agreed, it included a fixed bill price of £2.30 for three years so budgets were protected but other commitments in the contract had not been honoured. Schools in the MAT were unhappy with the provision and wished to leave the contract and the relationship with the provider were poor.</p> <p><i>A Trustee queried whether the MAT had the capability to bring catering back in house.</i> It was confirmed the Estates Director had previous experience running a small in house catering team and that he was very willing for the MAT to take this on, but a catering manager would need to be hired. It was also noted that given the MAT already paid £60,000 a year to the current catering company for heavy equipment, this could fund their own replacement equipment instead. Trustees agreed they wished to see all costed options (including remaining with the current provider) to assess which options would be viable. It was also agreed to set up a panel to review the options and to report a recommendation back to the committee. Tom Fielden and Simon Peacock agreed to sit on this panel.</p> <p>EPM HR contract It was confirmed the HR advisory contract expired on 31st August so notice would need to be given by the end of February if they wished to exit. Although the personnel in place now were good, it was recognised there were sometimes capacity issues and if their contact left they could be allocated someone who was not appropriate for their MAT. Trustees were asked for their opinions.</p> <p><i>A Trustee stated the nature of these contracts meant that they were ‘person dependent’.</i> This was acknowledged but further clarification of the issue was provided in that the MAT specifically did not wish to have an EPM person as their contact if their present contact left for any reason. It was acknowledged that the AVEC model suited the Trust better than the EPM model. There was a significant risk that as EPM had taken over AVEC that EPM methodologies would be introduced. Recently personnel departures had given them cause for concern and it was felt it was time to undertake a procurement process. Trustees agreed a procurement process should be undertaken for the HR contract.</p> <p>Governance The COO provided an update from the working party and confirmed two companies had bid for the</p>	<p>Agenda – FAR</p> <p>COO</p>

	<p>governance business following a tendering process. City of York Council (CYC) had provided a quote on a 5 year contract based on the current SLA but with bespoke training options built in and additional pricing for exclusions and complaints hearings, as requested by the panel. It was also noted a new training log had recently been provided by CYC which was much clearer.</p> <p>The second supplier, Wakefield, were slightly cheaper than CYC but there were some outstanding questions which required clarification such as whether there was a platform such as Decision Time the MAT could utilise and given their quote was based on virtual meetings only, would there be additional costs incurred if face to face meetings were held.</p> <p>The Trustees requested a like for like comparison table be provided to the working party for the quotes received to enable Trustees to clearly prove where value for money was demonstrated, even if the overall cost of the winning bid was higher.</p> <p>Cycle to Work The COO confirmed the cycle to work limit had been increased from £1,000 to £2,000. Trustees approved the increase of the £2,000 limit for the cycle to work scheme.</p> <p>Google licences The COO confirmed that Google had stopped providing the ability to record with their free licences. Schools used this for safeguarding for remote learning so the MAT needed to choose an option to purchase licences which included the facility to record. Options were provided to Trustees and they agreed 'Education Plus' provided the best value for money. It was proposed that schools paid for this licence themselves. Trustees approved the decision to ask schools to pay for their own Google Education Plus licences.</p>	COO
9.	<p><u>Growth Mobilisation</u> – previously distributed for information only.</p> <p>Trustees noted the reports and updates provided on growth mobilisation and acknowledged that investigations were on-going.</p>	
10.	<p><u>Policies for review/approval/acknowledgement</u> – previously distributed</p> <p><u>Policies for approval</u> Depreciation No comments were raised by Trustees. Trustees approved the Depreciation policy with no changes.</p> <p><u>Policies to acknowledge receipt of</u> Data Protection Policy was being replaced by a suite of policies:- Archive Acceptable Use Agreement (internal) Biometrics Information Information Security Information Security Incident Reporting Records Management Special Category Data Surveillance Employee Privacy Notice (amendments highlighted) Archive Policy (new) Special Data Category (new) Records Management (new)</p> <p>STAR MAT Fixed Asset, Capitalisation and Depreciation Policy Jan 2022 STAR MAT Archive Policy January 2022 STAR MAT Special Category Data Policy January 2022</p>	

	<p>STAR MAT Records Management Policy January 2022 STAR MAT Employee Privacy Notice January 2022</p> <p>Trustees acknowledged receipt of all of these policies.</p>	
11.	<p>Items to be escalated to the Full Board</p> <p>None were raised.</p>	
12.	<p>Any Other Business</p> <p>[Melissa Boyes left the meeting at 19.27pm.] Please see confidential minutes for details of business discussed in this item.</p>	
13.	<p>Date and time of the next meeting: 29th March 2022, at 5.30pm</p>	

The meeting ended at 20.00pm following discussion of the confidential business raised.

These minutes were approved at the FAR committee on 29th March 2022.

Signed:

Date:

Tom Fielden (Chair of FAR Committee)

**ACTION PLAN FROM THE STAR MAT BOARD OF TRUSTEES FAR COMMITTEE MEETING
HELD ON 1ST FEBRUARY 2022**

Action	Item	Person(s) Responsible	Timescale
1. Trustees requested the response from the Diocese regarding licences was confirmed in writing as mitigation against the risk of losing the licence.	3	CEO (IY)	By the next meeting
2. The recorded square metreage for SHP would be adjusted next year (confirmation this had been actioned).	3	Estates Dir (RH)	By the next meeting
3. The Chair wanted to see a report capturing all of the 165 users that should be on there (Every).	3	Estates Dir (RH)	By the next meeting
4. Add the financial risk associated with the increase in energy bills to the risk register.	6	COO (MB)	By the next meeting
5. Issue revised staffing proposal paper to Trustees prior to implementation (for additional workload for staff going on long term leave)	7	CEO (IY) & COO (MB)	28 th Feb
6. Undertake a procurement process for the HR contract.	8	COO (MB)	By the next meeting
7. Issue a comparison table of costs from the two bids for the governance contract to the working party	8	COO (MB)	By 28 th Feb

Items for the next meeting:

- Catering contract options and recommendation from the panel