

**Minutes of a Meeting of the STEP Board of Trustees
Held on Monday, 16 December 2019 at 6.30pm
At Heathfield Academy**

Name	Position	Attendance
Trustees		
Ben Bartlett (BB)	Non-Executive Trustee	Present
Kate Chhatwal (KC)	Non-Executive Trustee	Absent (apologies accepted)
Mark Ducker OBE (MD)	Executive Trustee - CEO	Present
Angela Farrell (AF)	Non-Executive Trustee	Present
Ross Gardner (RG)	Non-Executive Trustee	Present
Rory Nath (RN)	Non-Executive Trustee	Present
Navdeep Sanghara (NS)	Non-Executive Trustee	Present
Rama Venchard (RV)	Non-Executive Trustee (Chair of Trustees)	Present
Attendees		
Paul Glover PG)	Deputy CEO	Absent (apologies accepted)
Philippa Jackson (PJ)	Governance Clerk	Present
Ben March (BM)	Chief Finance and Operations Officer	Present

1	<p><u>Welcome, Apologies and Housekeeping</u></p> <p>RV welcomed everyone to the meeting, particularly BB and RN, who would be appointed as Trustees at the meeting. RV asked the new Trustees to introduce themselves and provide some background to their skills and experience.</p> <p>BB has been a Headteacher at Hinchley Wood Secondary School and Sixth Form, part of a cross phased MAT, since 2013. He has overseen the improvements in outcomes for pupils in terms of high attainment and progress, including SEND and vulnerable groups of students.</p> <p>RN is an Investment Manager for a private equity fund, ECI Partners. His role involves making new investments in the UK growth business.</p> <p>Apologies had been received and were accepted from KC (work and personal commitments) and PG (sickness).</p>
2	<p><u>Quorum</u></p> <p>The Clerk declared the meeting quorate.</p>
3	<p><u>Appointment of Trustees</u></p> <p>Trustees noted that the receipt of RV's countersigned DBS from the DfE and approved his appointment as Chair of Trustees.</p>

	<p>Trustees approved the appointment of RN and BB as STEP Trustees for a four-year term. The Clerk confirmed that satisfactory references and DBS had been received.</p> <p>RV provided an update on the Trustee recruitment process. A meeting had been held with Academy Ambassadors to agree the job specification for a trustee with marketing and PR experience. Trustees had identified the requirement for this skillset to support the Trust on the external perception of STEP. BB had been appointed to support the Trust with his secondary experience.</p> <p>RV advised that the trustee training and induction programme had been updated. As part of the new induction process, the Chair of Trustees and the Clerk would be in regular contact with new Trustees to review and discuss the progress of the training and induction. The new Trustees were also encouraged to ‘buddy up’ with a STEP school or conduct regular school visits to help inform debate at Board meetings.</p>
4	<p><u>Review of Pecuniary and Conflicts Interests</u></p> <p>There were no pecuniary or other potential conflicts of interest declared.</p> <p>Trustees confirmed they had updated their personal and pecuniary interests on the Trust Governor system.</p>
5	<p><u>Minutes</u></p> <p>The minutes of the Board Development Session and Board of Trustees meeting held on 30 September 2019 were approved. The Chair confirmed he would sign a copy of the minutes at the end of the meeting.</p> <p>Trustees noted the Governance Action Plan from the Board Development Session held on 30 September 2019. Trustees were encouraged to take responsibility for the actions and to track progress on a regular basis.</p>
6	<p><u>Matters Arising from the Minutes</u></p> <p>Trustees noted the actions from the previous meetings as set out in the agenda.</p>
STEP First – We are all one team	
7	<p><u>Chief Executive’s Report</u></p> <p>The CEO updated Trustees on developments within the Trust since the last meeting.</p> <p><u>STEP Standard</u></p> <p>Trustees considered the STEP Standards Heat Map, which showed the Academies’ performance against the Trust’s performance standards. The data showed that the performance of the Academies within the Trust was strong and had moved closer to the STEP Standard.</p> <p><i>Item on the STEP Standards Heat Map and the Academies’ performance recorded in confidential minutes.</i></p>

STEP First

MD provided an update on the Trust's performance in the DfE league tables this year. Out of the 297 MAT's in the UK, STEP had performed 9th in reading, 12th in writing and 6th in Maths. The Trust felt that the strategy and investment in the leadership team demonstrated a sustainable model.

An update on external communications was provided. STEP had been shortlisted for the MAT of the Year Award, as part of the National Schools Awards 2019. Although Star Academies Trust went onto win the award, STEP were very pleased to be recognised and shortlisted for the award.

MD explained that the Trust would be working on promoting STEP's model through press coverage, publications, speaking engagements and national and regional awards, to publicise what we do. For example, STEP had been approached by Sir David Carter to feature as a case study for a book that he was writing with Laura McInerney on building successful school trusts.

STEP had also considered employing a PR company to improve external communications and managing negative press. Earlier this term, MD and BM had met with PLMR, a public relations company, specialising in the charity sector. They had previously worked with public services and had a good track record. NS added that she had previously worked with PLMR for internal communications and PR and they had a good level of expertise. The Trust were working with Academy Ambassadors to recruit a trustee with a communications and PR background.

Trustees raised the following questions:

Q: Would you appoint PLMR for a specific project and also on-going communications support?

A: This would be discussed further at the Finance and Operations Committee, with both options being considered.

A: In relation to the MAT summary evaluation, had we prepared for this?

A: JA had prepared a pack for Trustees. This would be circulated to Trustees to understand their role in the inspections and support the Trust in the process. The Academy Committee members would also be briefed.

Q: When was the inspection expected?

A: Any time within the next two terms. Ofsted would target medium to large MATs first to test the process. STEP's performance had been strong, so an inspection could happen soon. However, it was noted that due to the number of MATs and limited Ofsted resource, it was just as likely that STEP would not be selected for a summary evaluation.

Q: How much notice would the Trust receive?

A: One weeks' notice.

STEP Ahead

Item on the Trust's growth opportunities recorded in confidential minutes.

Trustees thanked the CEO for his report.

8 **STEP Vision**

MD advised that at the Board development day in September, Trustees had discussed the Trust’s growth strategy and how this impacted STEP’s vision statement. Following this feedback, the STEP vision statement had been revised. MD provided some background to the development of the STEP vision and asked Trustees to consider the new STEP vision statement.

Trustees raised the following key points:

- The vision statement still had the same feel of the original vision statement but was more fitting to the next stage of the Trust’s development
- It summed up the core mission and vision of the Trust and placed children at the heart of the organisation
- Consider adding ‘support children to achieve their full potential’
- If secondary opportunities presented themselves, ‘children’ would not be appropriate, ‘young people’ or ‘student’ was more commonly used.

MD advised trustees that he would consider their comments and develop suggestions for a new vision statement with the Executive Team. These suggestions would be shared with Trustees for Trustees to take forward and discuss and approve. Once the STEP vision statement had been approved by Trustees, it would be published on the STEP website and in the newsletter. It would also be the focus of the next round of STEP First visits with the Academies.

Trustees thanked MD for his presentation.

STEP Ahead – We invest in our future

9 **Risk Management**

BM gave a presentation on how risks were currently identified and managed within the Trust and the pivotal role played by the STEP Standard evaluation.

RV asked Trustees to participate in a group activity to identify their current perceived risks to MATs and to focus on the likelihood and the impact on STEP. The Clerk would collate the notes and create a risk landscape document for circulation with the minutes. RV advised that a 15-20 minute debate on a strategic topic would be held at each Board meeting going forward.

Action: Collate STEP Risk Landscape document for circulation with the minutes. (Clerk)

Trustees raised the following questions:

Q: How do we capture actions/mitigation of actions:

A: This was a task for the Executive Team level. Trustees would see the outcome of the risk management process.

Trustees agreed that the process of identifying risks and how these were being mitigated should be recorded to ensure a more robust risk management process. The probability/ likelihood of risks, the impact of risks, actions to mitigate the risk and a timeline should be formally recorded and filter into the Committees.

It was agreed that the risk assessment process would be considered in more detail at Committee level, particularly any rationale for requiring more information than is already provided by the STEP Standard report.

Action: Provide update on risk assessment reviews in Committees at next Board meeting. (Committee Chairs)

The Chair thanked the Executive team for providing excellent reports to the Board of Trustees. They had made huge progress in developing the operational and educational reporting standards to the Board.

STEP Up – We all succeed together

10 Financial Management and Monitoring

STEP Management Accounts

The STEP Financial Report for December 2019 was noted.

BM provided a summary of the monthly update on STEP's in-year financial positions as at 30 November 2019. Trustees approved the 2020/21 budget for STEP in the Summer term which was then revised in the Autumn term. The forecast took into account the worst likely budget position for each Academy. The revisions to the 2020/21 budget took into account the higher than anticipated pupil number adjustment at High Cliff Academy that was reflected in the management accounts this period. The Heads of the Academies continued to work to the original budgets and had a major role in ensuring financial viability in the long term.

Trustees noted the cash flow forecast for January to December 2020 and raised the following questions:

Q: At what point did the cashflow become a risk to the Trust?

A: At certain months, especially in the Autumn Term, the cashflow was very tight. This is due to the cycle of funding and cycle of payments from the ESFA, and typically Autumn being a high spend/low income period. It is noteworthy that STEP has managed this situation well for a number of years and that we are now returning towards a position of strength.

Q: What was the overdraft arrangement?

A: None. MATs could not go into an overdraft position or take out loans. We would need to manage payments to suppliers, use the GAG funding or request an advance payment from the ESFA. As a principle, we would safeguard staff payments and delay the supplier payments.

2018/19 Annual Report and Financial Statements

Trustees had received the Annual Report and Financial Statements for year ended 31 August 2019. The Trust's auditors, Hacker Young, had taken the Finance and Operations Committee through the report and accounts in detail at the meeting on 9 December 2019. BM stated that the Committee had approved the annual report and financial statements and that the Committee considered STEP to be a going concern. As such, the recommendation is for Trustees to approve and sign off the Trustee report and Financial Statements.

	<p>The Chair thanked everyone involved for the huge amount of work that had gone into producing the report and accounts, and invited Trustees' questions. Trustees raised the following:</p> <p>Q: What were the reasons for the increase in staffing costs? A: Proportionally, staff costs had not increased. In fact there was a minor percentage decrease. However, there were continued increases in agency staff costs. This in part was due to an influx of pupils with additional needs, the staffing of which is not aligned to funding as the income from the local authorities was significantly lagged.</p> <p>Mitigation for this is two-fold. Firstly, STEP is engaging regularly with LAs to speed up EHCP payments, and secondly Headteachers now have within their Performance Objectives specific expectations around budget management.</p> <p>RG commended the audit report and confirmed that there were no significant issues for the Trustees to be made aware of. As discussed at the Finance and Operations Committee, the Executive Team considered STEP to be a Going Concern and as such recommended the Trustee Report and Financial Statements for approval.</p> <p>Trustees approved the Trustee Report and Financial Statements for 2018/19.</p> <p><u>STEP Financial Handbook and Policy 2019/20</u></p> <p>BM summarised the key changes to Academies Financial Handbook from September 2019 and how STEP would meet those requirements and remain compliant with ESFA requirements.</p> <p>Trustees formally adopted the Handbook and Policy for 2019/20.</p> <p>The Chair thanked the CFOO for providing excellent reports to the Board of Trustees.</p>
11	<p><u>Educational Standards and Performance</u></p> <p>It was noted that the Education Committee had been rescheduled to 15 January 2020.</p>
12	<p><u>Academy Engagement</u></p> <p>RV provided feedback to Trustees on his recent visits to the STEP Academies and meetings with the Heads of the Academies and Chairs of Governors. He had found the school visits to be very informative. He encouraged Trustees to contact the Clerk to arrange their own school visits. A briefing note summarising school visits would be sent from the Chair of Trustees to the Trustees and Governors.</p>
STEP Way – We agree to do things like this	
13	<p><u>STEP Governance</u></p> <p><u>STEP Committees</u></p> <p>Trustees noted the appointment of NS as Chair of the Education Committee for 2019/20. The appointment had been approved by a Chair's action.</p>

Trustees noted the appointment of RG as Chair of the Finance and Operations Committee for 2019/20. The appointment had been approved by a Chair's action.

Trustees noted the Committee membership for 2019/20. The membership had been approved by a Chair's action. In terms of the Executive Team appraisals, an alternative arrangement would be made to limit Trustees' involvement in the process and to allow them to focus on areas of greatest impact. From 2020/21, Trustee involvement in appraisals would only be at the most senior executive roles, for example CEO, DCEO and CFOO.

RN was asked to consider taking on the Trustee Safeguarding lead role. RN expressed a keen interest in the role in terms of his expertise and personal interest. He would consider the role and reflect on whether any conflicts of interest existed in relation to his responsibilities at his employer, ECI Partners. Trustees were confident that there would be no conflict of interest as the role of Safeguarding Lead would involve challenge and oversight, and would not include recommendations on procurement at an operational level.

Academy Committees

The minutes of the Autumn Term 1 and 2 Academy Committee meetings had been noted on the Trust Governor system.

Trustees approved the Governor appointments as set out in the paper.

Training

The following Spring term governor training dates were noted:

- Panels: Exclusions/ Complaints/ Disciplinary
- 22 January 2020 at 6.00pm - Heathfield Academy
 - 29 January 2020 at 6.00pm - High Cliff Academy

14 Policies and Procedures

Trustees reviewed and approved the following policies and procedures:

- Behaviour
- Off Site Visits
- Performance Management Appraisal Cycle
- Medical Needs
- Teacher Appraisal
- Governor Visits

In relation to the Off Site Visits Policy, Trustees noted that the European Health Insurance Card section of this policy would need to be updated depending on the outcome of Brexit. Trustees approved the policy subject to the relevant adjustments being made following this.

BM advised that the Complaints Policy was currently being revised and would be approved as a Chair's action.

15	<p><u>Admissions 2020/ 21</u></p> <p>Trustees noted the report on the arrangements for 2021/22 Admissions for STEP Academies. As no material amendments were proposed for the admission arrangements for 2021/2022, there would be no requirement to carry out a formal consultation.</p>
16	<p><u>Term Dates 2020/ 21</u></p> <p>The 2020/21 STEP term dates had been deferred. The dates would be reviewed and approved by the Education Committee on 15 January 2020.</p>
17	<p><u>Safeguarding</u></p> <p>Trustees noted the termly safeguarding report.</p> <p>RN requested that an update on how the Trust was working with agencies in line with KCSIE could be included in the next Safeguarding report to the Board. It was agreed that JA, Director of Effectiveness and Performance, would attend the next Board meeting to present the Safeguarding report, to enable Trustees to have a more in depth discussion.</p> <p><i>Action: Safeguarding report to be presented at the next Board meeting. (Director of Effectiveness and Performance)</i></p>
18	<p><u>Signing of Legal Documentation</u></p> <p>There had been no documentation signed by the Company Secretary, CEO or Chair of Trustees since the previous meeting.</p>
19	<p><u>Correspondence to the Chair</u></p> <p>There had been no correspondence received by the Chair since the last meeting.</p>
20	<p><u>Any Other Business</u></p> <p>RV provided an update on the Executive Team Pay Policy. It had been agreed at the Finance and Operation Committee that the current policy would remain in force for this year with a minor amendment, a new policy would be shared with Trustees in the Summer term.</p>
21	<p><u>Meeting Impact</u></p> <p>Trustees felt very positive about the discussions held on risk management and the STEP Standards Heat Maps. They felt that it had improved their understanding of the reporting and showed that the children were at the heart of the Trust.</p> <p>Trustees felt assured by the strong approach to risk management as facilitated by the STEP Standard process and also the operational processes underway in academies.</p> <p>Trustees also felt very positively about the discussions on the Trust’s vision, mission and values. It had helped Trustees and the Executive Team to focus on the longer term.</p>

	Trustees thanked the Executive Team for the work that had gone into producing the report and accounts. Trustees were reassured by the Going Concern nature of the Trust. They were also reassured that money was being spent on improving the children’s education and not being unduly held in the Trust’s reserves.
22	<p><u>Date of Next Meeting</u></p> <p>The Board of Trustees and Chair of Governors’ Annual Forum would be held on Thursday, 13 February at 6.00pm at Heathfield Academy. A Zoom video conference would be set up for those who were unable to attend in person.</p> <p>The next Board of Trustees meeting would be held on Thursday, 2 April at 3.00pm at Phoenix Academy, East Sussex. Trustees would confirm whether they would carry out academy visits in Hailsham on the same day.</p> <p><i>Action: Trustees to confirm with the Clerk whether they would like to carry out academy visits in Hailsham on 2 April. (Trustees/ Clerk)</i></p> <p>The Chair thanked everyone for attending the meeting.</p>
23	<p><u>Confidential Matters</u></p> <p>Confidential discussions on strategic and financial matters were recorded in the confidential minutes.</p>

Action List	
Action	Owner
Collate STEP Risk Landscape document for circulation with the minutes.	Clerk
Provide update on risk assessment reviews in Committees at next Board meeting.	Committee Chairs
Safeguarding report to be presented at the next Board meeting.	Director of Performance and Effectiveness
Trustees to confirm with the Clerk whether they would like to carry out academy visits in Hailsham on 2 April.	Trustees/ Clerk

Signed as a true and accurate record of the meeting	
Chair’s signature	
Chair’s name	
Date	