



A meeting of the Hart Schools Trust (formerly the North Hertfordshire Studio Schools Trust) Board was held on Wednesday 25 May 2022 starting at 08.00, by videoconference.

PRESENT

Andrew Simmons (Chair)
Kit Davies (Vice-chair)
Geoff Cleverdon
Hilary Clifford
Jonathan Ellam

Socrates Karidis
Mark Lewis (Managing Director)
Stephen Marshman
Vicky Parsey

IN ATTENDANCE

Paul Harte (Group Finance Director)

Robert Dale (Company Secretary/Clerk)

ITEM 1A: APOLOGIES FOR ABSENCE

- None.

ITEM 1B: DECLARATIONS OF INTEREST

- The Chair declared that he was Chair of the Corporation Board for North Hertfordshire College and Trustee of another Multi-academy Trust (the Agora Learning Partnership).
- Kit Davies declared that he was a member of the Board of WENTA and had joined the Board of the Hertfordshire Virtual School. Jonathan Ellam declared that he was employed by Herts for Learning as a governance advisor. Vicky Parsey declared that she was CEO of Aspire Academies Trust.

ITEM 1C: MINUTES OF THE PREVIOUS MEETING

- The minutes of the meeting held on 30 March 2022 were agreed as an accurate record and would be signed accordingly.

ITEM 1D: MATTERS ARISING/ACTIONS

- These had been addressed as follows:
 - Consider how to use lessons from the ETF evaluation process in reviewing the effectiveness of the Trust Board. **Action ongoing**. This work was suspended while conversations with the ACES Academy Trust were under way.
 - Consider whether Energy cost and staff risks should be added to the Risk Register. **Action complete**. Risk 13 considers the impact on school budgets of rising energy costs. The Roebuck Risk Register notes movement in Summer 2022 but also confirms that there were a large number of applications for school vacancies to date.
 - Add progress report on implementation [of the recommendations of the HfL Safeguarding audit] to a future HST Board agenda. **Action complete**. On the draft agenda for the July meeting.

- Present an Estates Action plan update to the Board. **Action complete.** It is proposed to present this to the first meeting in 2022/23.
- Propose date for Strategic Thinking workshop. **Action complete.** Taking place Immediately after the business meeting.

ITEM 2: MEMBERSHIP AND GOVERNANCE MATTERS

- A number of membership matters were considered by the Board. First, two Trustees had advised of their intention to step down from the Board; Steve Marshman was also stepping down as Chair of the Roebuck LGB after more than ten years' service at the end of the academic year and Geoff Cleverdon was also stepping down as Chair of the Audit & Risk Committee at the end of the calendar year. Both had given a great deal to the Trust and would be missed. The LGB had been invited to nominate or self-nominate a potential successor as Chair and failing that, external recruitment would be undertaken, which would also include securing candidates for the audit & risk role.
- In addition, as part of the updating of the Trust's Instrument and Articles required by ESFA as part of the discussions about the Chief Finance Officer (CFO) role, a number of new Members would need to be recruited. The role of Member was often less well understood than that of a Trustee and could be difficult to recruit to. It was not unusual to see very limited engagement from Members, who really only came into their own in difficult situations; they were expected to act as the guardians of the Trust's regularity and propriety and had the power to dismiss and appoint Trustees, but unlike Trustees were not responsible under charity law in quite the same way. There was some helpful guidance provided by Herts for Learning about the role of a Member which would be shared with the minutes.
- Revised draft Articles had been submitted to ESFA for comment having been prepared by Eversheds on the basis of the current model Articles. There were two areas in particular where we had asked for derogations from the model – because otherwise Charity Commission approval would be required and this could take some time. The two areas were in respect of the description of the Trust's Objects ('the Objects clause') and in the clause dealing with the distribution of the Trust's assets in the event of dissolution where the existing provisions were more restrictive than the model provisions. A response from ESFA was awaited.
- The ESFA had, however, refused to approve the related party transaction between the Trust and the Hart Learning Group. It was not yet clear what (if any) implications there might be from this and the external auditors would be consulted. The reason for refusing was that insufficient evidence had been provided to support the carrying out of single tender process, despite the evidence that the cost of the service was consistent with sector benchmarks and there had been a commitment on the part of the Group to provide services at cost. Support from the Group's ESFA contacts had been invoked but no change in the response had been received.
- On the position of CFO, which was required to be a post employed by the Trust, absent approval from ESFA for a different option (which they were unwilling for some reason to give) the proposal was to appoint the current Finance Manager (currently employed by the Hart Learning Group) to the role as a Trust employee. This would require a TUPE process to be followed together with the issuing of a fresh contract, and the value of the service level agreement would be adjusted to take account of the move of the role to the Trust. As the individual concerned worked full time on Trust business, there would be no net cost impact on either organisation. The role would continue to receive professional support from the Group's Finance Director, and 'pay

and rations' management would also be undertaken by the Group as part of the service level agreement. It was expected that Paul Harte (the Group FD) would continue to attend Trust Board meetings with Andrew McLeod (CFO). The arrangements would come into effect from 1 September 2022.

- A less material but still significant matter concerned the job title for HST's most senior executive. The Model Articles and other Academy guidance now used the term Chief Executive Officer for this position while HST's current terminology was 'Managing Director'. It was proposed to amend the HST job title to be consistent with the sector with the aim of this also coming to effect from 1 September 2022.
- Finally, a parent governor at TAA, elected in autumn 2021, had been unable to attend any of the LGB meetings this year. It was proposed to approach him with a view to establishing whether the role of a local governor was something to which he could commit or if he could better support the school in other ways.
- The HST Board accepted the report and approved:
 - the recruitment of two Trustees and four members, with external support if necessary for Trustee recruitment;
 - the appointment of Andrew McLeod as the Trust's CFO directly employed by the Trust;
 - the proposed change in Mark Lewis's job title from Managing Director to Chief Executive Officer.

Action: Create recruitment plan for at least two Trustees – including a local governing body Chair and an audit & risk Chair – and four Members with the aim of making appointments by the start of the autumn term.

Action: Complete work on the revised Instrument and Articles of Association for the Trust and confirm ESFA approval prior to submission to the Trust Board in July 2022.

Action: Seek feedback from Buzzacott (external auditors) on the impact of the refusal of ESFA to approve the Related Party Transaction with the Hart Learning Group.

Action: Make arrangements to appoint Andrew McLeod as Trust CFO and transfer his employment from the Hart Learning Group to the Hart Schools Trust.

Action: Amend the job title for Mark Lewis's role as Trust Managing Director to Trust Chief Executive Officer.

Action: Contact non-attending TAA parent governor to discuss continued participation in the LGB.

ITEM 3: HST PERFORMANCE UPDATE

- Exam season had begun. It was difficult to forecast outcomes effectively because of uncertainty over how examination boards would set grade boundaries and 'manage' the reduction in grade inflation from 2019/20 and 2020/21. There was a risk of a negative Progress 8 score, largely arising from the impact of COVID-19 disruption in 2021/22 including some students with poor attendance and a limited subject portfolio. However, overall, students had been engaging very well. There had also been SATs

for Y2 and Y6 at Roebuck which had been managed well, including providing a good deal of well-being support for pupils.

- Two permanent exclusions had been made at TAA – the only two this year. The school had been working with the families for some time, but this action was necessary. Hearings would take place later in June.
- Enrichment including an overseas trip at TAA and a residential trip for Roebuck had taken place or were under way. TAA students had represented the school in Iceland exceptionally well. Further trips were planned in 2022/23.
- Development plans for both schools were in progress, with a recent presentation to the TAA LGB. Roebuck was proposing an extended SLT to reflect the increased size of the school, with the proposition benchmarked against schools of similar size. Final details were currently being worked out but the Roebuck LGB had supported the principle of the change.
- There had been a couple of serious allegations against staff at TAA. Both were currently under investigation.
- Estates activity was also under way at both schools. The new Management Information System (MIS) had been implemented largely without issue. New functionality would be introduced from the autumn term and staff had responded well.

Question: *What was the risk of either or both schools would fall back in terms of pupil progress and achievement?* It was too soon to tell. Roebuck staff had been fairly positive about the Y6 experience with some of the SATs papers, but there was a lot of anxiety among the children and a great deal of effort had to go into allaying fears and providing opportunities to de-stress. The death of a Y6 pupil from a newly diagnosed medical condition earlier in the year had also affected this cohort. Data tables would not be published at primary level, which reduced pressure somewhat, but there could be no confident forecast of outcomes at either school.

Question: *The successful CIF bid for roofing works at TAA was good news; what news was there about the White House?* The local authority would like to dispose of the premises but there was a need for substantial investment and there was no solution to this at present. An agreement over access to the rear garden would probably be needed to ensure that roofing works could be carried out and the opportunity would be taken to repair guttering and drainage associated with school buildings on that side of the property as part of the works. Low level engagement was continuing with the local authority on this subject to encourage them to continue to maintain it and this might need to be increased in the near future.

Question: *Why was Geography performing so relatively badly at TAA?* There was a relatively inexperienced head of department who was being linked with other local professionals to ensure that the team's expectations were pitched at the right level. There was a concern at present that forecasting was unduly negative, but if need be, more active measures would be taken next year.

Question: *Now that the sixth form was moving into the library building at TAA, was the library moving elsewhere and what impact would there be on access to the facilities?* The library would not be moving but its nature had changed somewhat; the school has not had a librarian this year and the space had been used for several after school activities such as a home learning club. The non-fiction resources had been transferred to subject departments and the facility was thus now mainly a fiction library. Overall, it was expected that the change would not materially affect other students.

Question: *What would the original school building now be used for?* It would be used as an Inclusion room, with the adjacent former common room used as an additional classroom space. One possibility – to be discussed with the incoming head of music – was to use it for that subject.

- **The Trust Board accepted** the report.

ITEM 4: P7 (MARCH 2022) MANAGEMENT ACCOUNTS REPORT AND 2022/23 BUDGET UPDATE

- Financial performance to the end of March had been ahead of budget with a forecast year-end surplus for the Trust of £176k (£101k better than budget). There was a strong cash position. Risks in future included rising energy costs and general inflation, with biomass costs also increasing as alternatives to Russian supplies had to be found. Buccaneers revenues were ahead of forecast at this stage, with higher levels of attendance from the Roebuck community.
- The Board was asked to consider how much of this improvement should go towards rebuilding reserves and how much into summer capital works. Only one of the three Capital Improvement Fund (CIF) bids submitted had been successful (that for roofing repairs at TAA) so not all of the match funding provisionally committed would be required for these purposes could be redeployed. However, there were other capital spending needs at both schools which would result in the current deficit on operating reserves not being fully eliminated this year.
- Members also noted that the Balance Sheet would be negatively impacted by new valuations of the Trust's estate received from the Department for Education (DfE). These were significantly lower than the values provided on conversion and would lower the fixed asset reserve in this year's accounts by c£5m-£6m. It might be necessary to consider challenging this change in the 2021/22 accounts and certainly to include an explanatory note.

Question: *What assumptions were being made about future energy costs?* Material increases in energy costs were included in the draft budget. No account of this was being taken in school funding allocations though the funding bodies were conscious of the issue. As well as energy (Biomass too) there were wider concerns about inflation which was likely to feed into pay costs.

Question: *Would the valuations be formally challenged?* The new information had only just been received and there had not been time to investigate the options. The Board expressed its concern over the sudden and unexpected change in valuation and instructed the Managing Director to prepare a challenge. The impact of the change would negatively impact the perception of the Trust in the context of an acquisition or merger.

Question: *How much was the actual capital spend on the new IT server?* The actual cost had been well below the forecast – at £13,500 – and the server was now installed.

- Members agreed that a discussion about the final level of capital spend in the summer should be considered in the context of a discussion about reserves as part of budget planning for 2022/23.
- **The Trust Board was satisfied** that financial performance in 2021/22 had been strong to date **and accepted** the report.

ITEM 5: AUDIT & RISK CHAIR'S REPORT

- The Audit & Risk Committee had not met since its last report to the Board and next meets on 23 June 2022.
- In respect of internal scrutiny during 2021/22, the Safeguarding internal audit report had been considered at the last Board meeting and a Cyber Security internal audit report would be completed during the summer term. Other assurance had been provided by a Health and Safety Compliance report at Roebuck from the Hart Learning Group's Health and Safety Manager, and reports on teaching and learning quality from the new Hertfordshire Improvement Partner at Roebuck and TAA.
- The Audit & Risk Committee would consider IA priorities for 2022/23 (likely to include a financial controls audit) at its next meeting and review progress with the implementation of audit recommendations. Planning for the 2021/22 year-end and external audit had begun.
- **The Trust Board accepted the report.**

ITEM 6: CORPORATE RISK REGISTER

- One new risk (Risk 13) concerning the potential impact of rising energy costs had been added to the register since the last meeting. Assumptions about the financial impact have been included in the planning for the 2022/23 budget, including increased costs for biomass fuel (as a result of a need to switch away from Russian sources of biomass). This will continue to be assessed before the budget is finalised.
- Risk 12 (concerning the change of Management Information System (MIS) from SIMS to Arbor) may be able to be archived in due course. Not all of Arbor's functionality had yet been switched on, but the key elements were operational and there had been no material issues to date. The application was popular with staff and it was planned to extend its functionality in the coming academic year.
- **The Trust Board endorsed** the latest iteration of the Risk Register.

ITEM 7: LOCAL GOVERNING BODY REPORTS

The Roebuck Academy.

- The LGB had met on 19 May when amongst other matters it had discussed the significant proportion of the school roll made up by pupils with serious SEND needs, and the extremely limited available support. Some of these children's needs would be more appropriately met in specialist provision but there was insufficient available and long waiting lists. This affected headline school performance and put great pressure on staff. The school was 'coping' at present but without an end to the pressure in sight. This was a risk identified on the school's risk register and some mitigations were being applied but without a comprehensive external solution the issue would remain.
- The LGB had been invited to nominate candidates for Chair (or to self-nominate) and failing that, an external recruitment would be arranged.

The Thomas Alleyne Academy

- Attendance and punctuality were current priorities for the school with the new emphasis on punctuality being applied after the half-term break. The school was also

seeing increased levels of SEND need and a lack of availability of specialist provision. This resulted in considerable pressure on the staff team which was currently being managed as far as possible. The inherent volatility of resourcing for this area of activity meant that support mechanisms and structures had to be responsive to frequent changes and reductions in funding which made it very difficult to create long-term plans to address growing needs.

- The summer exam season had begun; there was a positive feeling about Y13, which included the first Oxbridge offer for some considerable time and several other Russell group offers (but note the extreme pressure on university places this year overall) but nervousness about how grade boundaries would be set at A-level and GCSE as well as uncertainty over how other schools might achieve. The overall outcome was especially hard to forecast this year.
- **The Trust Board accepted** the reports.

ITEM 8: PROPOSED CALENDAR OF MEETINGS 2022/23

- A proposed calendar of meetings for 2022/23 had been shared, including an outline agenda plan for the year. Members agreed that it was sensible to introduce some in person meetings, having been fully on-line since March 2020 and suggested that one each should be held on site at TAA and Roebuck. On-line meetings worked well with an 08.00 start but a different start time might be appropriate for meetings held in the schools.
- **The Trust Board approved** the proposed calendar of meetings for 2022/23 subject to finalising the timings for meetings.

ITEM 9: ANY OTHER BUSINESS

- None.

ITEM 10: DATE OF NEXT MEETING

- Wednesday, 13 July 2022, starting at 08.00 by videoconference (Microsoft Teams).

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 Signed as an accurate record: Chair Date

ACTION LOG

Date	Item	What	Who	When
14/07/21	6.	Consider how to use lessons from the ETF evaluation process in reviewing the effectiveness of the Trust Board.	Robert Dale	30/09/21
25/05/22	2.	Create recruitment plan for at least two Trustees – including a local governing body Chair and an audit & risk Chair – and four Members with the aim of making appointments by the start of the autumn term.	Robert Dale	30/06/22

25/05/22	2.	Complete work on the revised Instrument and Articles of Association for the Trust and confirm ESFA approval prior to submission to the Trust Board in July 2022.	Robert Dale	30/06/22
25/05/22	2.	Seek feedback from Buzzacott (external auditors) on the impact of the refusal of ESFA to approve the Related Party Transaction with the Hart Learning Group.	Paul Harte	31/07/22
25/05/22	2.	Make arrangements to appoint Andrew McLeod as Trust CFO and transfer his employment from the Hart Learning Group to the Hart Schools Trust.	Mark Lewis	31/07/22
25/05/22	2.	Amend the job title for Mark Lewis's role as Trust Managing Director to Trust Chief Executive Officer.	Robert Dale	31/07/22
25/05/22	2.	Contact non-attending TAA parent governor to discuss continued participation in the LGB.	Mark Lewis	31/07/22