

Company Number: 10561094
 Board of Directors Meeting 14.06.21

Minutes of a meeting of the Board of Directors

DATE: Monday 14 June 2021

TIME: 6.05pm

VENUE: Virtual meeting

Present:

Roger Alston (Director – RA, Chair), Debi Bailey (CEO and Director - DB), Nadia Iftkhar (Director – NI), Steve Leggetter (Director – SL), Andrew Lister (Director – AL), Anne McNall (Director – AM), Sue Ormerod (Director – SO)

Required quorum: 3, or if greater 1/3rd of Directors holding office on that date. Directors holding office on 14.06.21: 9. Directors present on 14.06.21: 7. The meeting was quorate.

In attendance:

Richard Carr (Headteacher, Benfield School – RC) for item 1
 Lisa Bilton (NEAT Head of Business Services – LB)
 Shaun Dillon (NEAT Head of Digital Resources and Delivery – SD) for items 1-9
 Suzanne Hendey (NEAT Head of Governance and Corporate Affairs - SH), Clerk
 Charles Turvill (NEAT Chief Operating and Financial Officer – CT)

1	<p>Exclusions at Benfield School RC attended to discuss the Board’s concerns regarding the level of fixed-term exclusions at Benfield School during 2020-21 in light of the CEO’s Term 2 Exception Report considered at the meeting on 31.03.21. RC explained contextual factors in Term 1 regarding restrictions on pupil movement, wearing of face masks etc due to Covid-19 prevention measures, which had resulted in challenges for behaviour management. He recognised that reducing exclusions was a priority from the Ofsted inspection in 2020 and the school’s strategy had changed since reopening after lockdown with fixed-term and permanent exclusions for 2020-21 significantly reduced. From September there would be changes to the senior leadership team and there were plans to change the curriculum, introduce the Duke of Edinburgh Award etc., however he accepted that further work was required to reduce exclusions further.</p> <p><i>RC left the meeting at 18:10.</i></p>
2	<p>Apologies for absence Apologies had been received from Steve Beharall and Nichola Brannen, which were accepted.</p>
3	<p>Declaration of potential conflict of interest in any agenda item CT declared his interest as a director of NEAT Active Ltd, the trust’s trading subsidiary company. It was noted by the Board that CT was in attendance at the meeting in his capacity as the trust’s Chief Operating and Financial Officer and was not entitled to vote as he was not a director of the academy trust, however it was noted that there was a conflict of interest in relation to items 13 and 14 as these</p>

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	<p>directly concerned NEAT Active Ltd. On that basis it was decided that CT would present information on behalf of NEAT Active Ltd for those two items and would then withdraw from the meeting to enable the directors to reach a decision solely in the interests of the trust. For all other items he would not withdraw from the meeting to ensure that he could fulfil his advisory role to the Board, which he would take care to ensure reflected the trust's interests.</p>
4	<p>Agree any items of urgent business not on the agenda There were no items of urgent business to consider.</p>
5	<p>Minutes of previous meeting held on 13 May 2021 and matters arising The minutes were agreed as an accurate record of the meeting and there were no items classified as confidential. The Chair to sign the minutes at the next available opportunity.</p>
6	<p>Update action grid from previous board meetings In addition to the updates provided on the action grid included with the papers, the following was discussed verbally:</p> <ul style="list-style-type: none"> • 13.05.21 Item 9: The CEO confirmed that the data requested regarding the Year 7 intake at St Hild's would be included in her Term 3 Exception Report to be presented at the 21.07.21 meeting. • 04.02.21 Item 8: It was confirmed that the action plan from the external review of governance would now be brought forward to the 21.07.21 meeting. • 22.10.20 Item 9: It was agreed that the action for AL and SL to contact Microsoft was complete and it had been agreed with the CEO not to take any further action at this stage.
7	<p>Membership of Board of Directors The nomination panel would meet on 16.06.21 as planned to start the recruitment process for the three non-executive director positions. There were no further actions at this stage.</p>
8	<p>Reflections on Mission, Vision and Strategy session <i>SL left the meeting at 18:20 and rejoined at 18:23.</i></p> <p>The CEO led a discussion to review the joint session with school/service leaders, local governors and NEAT Active Ltd directors which had preceded the board meeting. Overall, the board considered discussions had been positive and remarked on the noticeable difference in organising the trust's activities e.g. working across schools, sharing best practice, greater central standardisation within business functions.</p> <p>Directors requested the CEO to provide a more coherent document, which she confirmed would be drawn up to include milestones now there were clear priorities, and which would enable also the school development plans to be produced.</p> <p>The CEO was questioned about the strategic plans for the trust's finances and she confirmed that one of the key actions was to determine how the strategic priorities would be funded, which she expected to be a stepped approach e.g. initially changing financial reporting to schools and demonstrating the benefits of managing some expenditure centrally.</p>

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9	<p>Proposed strategic approach to IT</p> <p>The Head of Digital Resources and Delivery introduced the paper, confirming he had liaised with AL and SL informally. He stressed the urgency of deciding the future strategic direction due to the significant and ongoing operational problems caused by the current provision and his objective of implementing a new approach from April 2022 when St Hild’s current service contract ends.</p> <p>Two options were presented for discussion: a fully managed service and an in-house/co-managed service. The HoDRD confirmed he was seeking the board’s agreement to terminate existing contracts and progress securing in-house staffing for option 2.</p> <p>Although broadly supportive of the proposal, the directors commented and asked questions as follows:</p> <ul style="list-style-type: none"> • the risk of a small group of people requiring a high level of specialist knowledge/ capacity running a service without the back-up of a large scale service provider, which the HoDRD considered to be addressed by the fourth/fifth line support within the co-managed service; • whether the staffing and salary levels proposed for the in-house roles was adequate, which the HoDRD considered to be a proven model within his experience of the schools sector; • whether stakeholders had been consulted, which the HoDRD confirmed had taken place and they welcomed the proposal; • the need for a skills matrix to ensure gaps can be addressed and a continual review of the risk profile; • concern that some staff from the current service provider would transfer to the trust and therefore deliver the same outcomes, however the HoDRD provided reassurance that the current issues related more to the systems and infrastructure those staff were working with, rather than their skills; • the need for enough time and resource to update users on new systems to ensure effective implementation of the new approach; and • to encourage sharing of learning with other schools and trusts on the same journey. <p>The CEO reminded the board that IT had been highlighted as a significant weakness in the recent stakeholder voice and it was essential that a solution was found.</p> <p>The COFO summarised the contractual position: the service contract for St Hild’s and Newcastle schools would end on 31.03.22 and 31.08.22 respectively. The trust could exercise its right to give 12 months’ notice of the break without penalty but would want to negotiate 31.03.22 with Newcastle City Council if possible to have a single break, which may be achievable. The only double cost incurred would for IT connectivity from 01.04-31.08.22.</p> <p>Resolved:</p> <ul style="list-style-type: none"> • It was agreed to terminate the IT service contracts no earlier than 31.03.22 and move to an in-house/co-managed service.
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10	<p>Proposed increase in provision at Benfield School Additionally Resourced Provision</p> <p>The COFO outlined the proposal to increase the number of places in the Communication and Interaction ARP from 15 to 25 with effect from September 2021. This would secure resources for the additional pupils to be admitted with Newcastle City Council supporting the costs of the additional accommodation needed. The proposal would require a variation to the supplemental funding agreement for Benfield School and would require a full business case to be submitted to the Regional Schools Commissioner for approval. The City Council had already provided a letter of support to the trust as the proposal was at their request.</p> <p>There was discussion about the public consultation, which had commenced on 28 May (following urgent Chair's action to do so reported under item 15f) and would close on 30 June. Responses to date were positive.</p> <p>The directors were concerned about the proposed temporary accommodation for these pupils and whether this enable them to have a sense of belonging. The CEO confirmed that the school's leaders were taking this into account and considering how best to use the portakabins.</p> <p>Resolved:</p> <ul style="list-style-type: none"> To support the proposed increase of places in Benfield School's Communication and Interaction ARP from September 2021. <p>Action:</p> <ul style="list-style-type: none"> To delegate to the Chair to decide whether to submit a full business case to the RSC having considered the responses to the public consultation, unless significant issues were raised in which case the matter would be brought back to the board.
11	<p>Management accounts for 2020-21 financial year</p> <p>(a) The report and supporting papers for the period 8 management accounts were presented by the COFO. The following points were discussed:</p> <ul style="list-style-type: none"> these were the first set of accounts to include St Hild's, although the original 2020-21 budget was also shown; overall, there was a very positive position with income broadly as expected and expenditure lower than expected e.g. unfilled vacancies, reduced operating costs during lockdown, fewer pupil trips; a much better outturn for 2020-21 than expected was forecast. <p>Overall, there were no additional actions identified by the board to maintain financial viability of the trust on this occasion.</p> <p>(b) The COFO presented a proposal to invest £285k of the 2020-21 surplus in the IT estate including PC replacement and interactive whiteboards, which would still allow the trust to finish the year in a much better financial position than expected. There was discussion about the depreciation period for IT assets, which was confirmed as 3 years, and the need for replacement in another 5 years. A director commented that the trust's current level of investment in IT was around 3.5% of total budget, which should ideally be nearer to 5%.</p> <p>Resolved:</p> <ul style="list-style-type: none"> To invest £285k of the 2020-21 surplus in IT infrastructure.

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12	<p>Draft budget for 2021-22</p> <p>(a) Review draft budget for 2021-22 and consider two year forecast for 2022-23 and 2023-24</p> <p>The COFO outlined that he had assumed there would be no pay award in light of the government's restraint on public sector pay but had allowed for a 1% contingency, however the employers' side had recently offered 1.5% which had been rejected. He had now built in a 2% pay award. This had had a substantial impact reducing the expected year end position in 2021-22 from +£200k to -£66k with a significant budget deficit over the next 2 years (although this assumed no increase to per pupil funding whereas pay award increases and inflationary cost had been included).</p> <p>The COFO summarised the draft budget for each school and highlighted two areas of concern:</p> <ul style="list-style-type: none"> • St Hild's: the impact of the small year group in Year 7 in 2021 which identifies the need for a significant review; and • Walkergate: the pressures from lower than expected Reception numbers, an additional teacher in Year 6 and relatively high cost structure as a PFI school. <p>Overall, it was proposed to set a small deficit budget for 2021-22 once fine tuning had been completed.</p> <p>The directors agreed that the draft budget highlighted the need for further action during 2021-22 and the COFO confirmed that detailed discussions would take place over time about how to operate to deliver cost savings e.g. educational support staff at St Hild's, business support staff across the trust.</p> <p>(b) Proposals for priority expenditure to inform final budget for 2021-22</p> <p>The COFO reported that the trust would be eligible to receive School Condition Allocation (SCA) capital funding of c.£0.5m from April 2022, however this could only be used for buildings and not for IT expenditure.</p> <p>The IT investment needed in 2021-22 had been identified as c. £300k and as there was only Devolved Formula Capital (DFC) funding of £76k available, there was a shortfall of c.£200k. The COFO highlighted that there may be a need to draw on reserves, which would reduce from £850k to £600k. Leasing could be considered but this was less palatable where there was already an existing strain on expenditure. There was a brief discussion about the relative merits of different options.</p> <p>Action:</p> <ul style="list-style-type: none"> • The COFO and HoDRD to consider options for future investment in IT (capital expenditure, leasing etc) and discuss with AL and SL. <p><i>SD left the meeting at 18:50.</i></p>
13	<p>Proposed service/cost sharing agreement between NEAT Active Ltd and NEAT Academy Trust</p> <p>CT presented the proposed three-year agreement for services and cost sharing. The value was c.£30k, which required approval to be sought from the Education and Skills</p>

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	<p>Funding Agency (ESFA) for the related party transaction. It was confirmed that the NEAT Active Board of Directors had confirmed their agreement on 11.06.21.</p> <p><i>In light of his direct conflict of interest in this item, CT withdrew from the meeting to enable the directors to discuss the proposed agreement and reach a decision.</i></p> <p>Resolved:</p> <ul style="list-style-type: none"> • To agree the proposed service/cost sharing agreement with NEAT Active Ltd. • To agree to seek prior approval from the ESFA for the related party transaction in accordance with the requirements of the Academies Financial Handbook. <p><i>CT returned to the meeting.</i></p>
14	<p>Request to undertake property improvements to Benfield Sports Centre</p> <p>CT summarised the proposal from Shooting Stars, which would improve the facility regardless of the tenancy. This would be self-funded and it had been confirmed Shooting Stars already had the monies in place. The proposal was supported by the Headteacher of Benfield School and was recommended by the NEAT Active Ltd Board of Directors to the board to approve as the landlord.</p> <p><i>In light of his direct conflict of interest in this item, CT withdrew from the meeting to enable the directors to discuss the request and reach a decision.</i></p> <p>Resolved:</p> <ul style="list-style-type: none"> • To approve the request made by Shooting Stars to undertake property improvements to Benfield Sports Centre. <p><i>CT returned to the meeting.</i></p>
15	<p>Receive reports from NEAT Active Ltd Board of Directors, Committees and Executive Team</p> <p>The following reports were received:</p> <ol style="list-style-type: none"> a) Report from St Hild's Monitoring Committee on 27.05.21 b) Report from additional meeting of Central Walker Local Governing Committee on 28.05.21 c) Report from NEAT Active Ltd Board Meeting on 11.06.21 d) Verbal feedback from Chairs and Vice Chairs Forum on 09.06.21, which the Chair e) Any decisions since the last Board meeting on 13.05.21 delegated to the Chair on behalf of the Board: None f) Any urgent decisions since the last Board meeting on 13.05.21 taken by the Chair on behalf of the Board: <ul style="list-style-type: none"> - 24.05.21: Approval to proceed with full negotiations with property agent regarding relocation of Central Team from Trehitt Road on 31.07.21 of and associated additional costs. The CEO confirmed there were a number of issues with the current accommodation and recent stakeholder voice had been particularly negative. The relocation to Hedley Court would enable training/meeting room facilities to be provided. The current lease ends 31.07.21 with some works to be completed at Hedley Court over the summer and operational from September. - 28.05.21: Approval to proceed with public consultation to increase the number of Additionally Resourced Provision (ARP) places at Benfield School from September 2021 g) Report of policy amendments approved by Executive Team on behalf of the Board since the last Board meeting on 13.05.21: None

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16	Any urgent business There were no items of urgent business to consider.
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Meeting concluded at 19:45.

Signed..... *R. T. Aiston* Date.....21/07/21.....