

## QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

### Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 24<sup>th</sup> June 2019 at 6pm.

Present:	Mr P Buckland	Miss R McMann (Clerk)
	Mrs G Gravett	Mr Airey
	Mr R Dawson	Mrs T Boving-Foster
	Mr R Shephard	Mr A Martin
	Mr G Miller	Mrs K Rae
	Mr M Worrall	Dr E Mawson

Quorum per Terms of Reference - 4 Governors

Governors present: 9

Visitors: none

Prior to the start of the meeting, welcomes and round the table introductions were made to the new elected parent Governor Mr Glenn Miller.

1. Apologies for absence

Apologies for absence were accepted for Mr Ray (family commitments)

2. Declaration of Interest in Agenda Items

There were no declarations of interest.

3. Minutes of the Finance and Pay Meeting held Monday 29<sup>th</sup> April 2019

The minutes having been previously circulated were unanimously agreed and signed as a true record.

4. Matters Arising

The committee were informed that the three-year budget had been submitted. In response to Mrs Rae's question it was confirmed that pension increases and the teacher's pay award had been included.

Dr Mawson reported that the signatories for the HSBC account had been sorted, the others are still ongoing.

Mr Airey asked if there had been any teething problems with regards to the implementation of the cashless catering system. Dr Mawson answered that there had been minimal, praising Mr Colosi for his work with the licensing and trouble – shooting. Dr Mawson also reported that the school had received a handful of emails of praise, some with questions but none with concerns. Overall, it is felt that the implantation went really smoothly, takings are up as students can't spend their money anywhere else and break times are speeding up.

Mr Buckland also wished to inform the committee that applications have closed for 2021 entry with the highest number of applicants received at 346 which is good news

for the budget. Moreover, it is felt that the applications are still of very good quality with positive feedback to the open evening. Mrs Boving-Foster queried when the numbers for Sixth Form would be available. Dr Mawson answered that this would not be known until September as dependent on results and also often get an influx after the results come out.

5. Management Accounts to May 31<sup>st</sup> 2019

Mr Buckland presented the accounts stating that the school is in a slightly better position than reported in the April meeting with the positive of £42,000 having crept up to a positive of £48,000. This is owing to a positive for catering and lettings, the teacher's pay grant and small incremental savings on expenditure. Mrs Rae raised a concern regarding the computer network: is money being spent to improve this and at what stage is it? Mr Buckland said there has been expenditure in this area and would be covered during the detail.

Points noted from the detailed sheet were as follows:

- Significant expenditure on supply which is £12,000 below where would like to be.
- Gas charges are higher than predicted due to a cold spring but are looking further into this.
- Positive figure of £1946 for security and fire alarms due to fewer call outs with the new system in place from the CIF bid. Any other issues have been covered under warranty.
- £11,709 on books will balance itself out over 12 months as staff are ordering next years' books
- Exam fees were higher than expected as they have gone up in cost. However there is a £2,000 credit note for Further Maths GCSE exam which some students did not sit.
- The lines within the technology budget need checking as currently there appears to be an underspend of £2800.

Mr Dawson expanded on the last point saying that £10,000 had been spent on new servers which provide good resilience and it is felt that the WiFi is now as good as it can be. Mr Dawson praised Mr Colosi saying he is pushing for better deals from service providers and saving money. Additionally, it was thought that the devolved capital formula from the Government could be used for I.T. (£20,000 is currently given to the school each year and can only be carried forward for three years). Mrs Rae was satisfied her concern was answered and asked that thanks be passed onto Mr Colosi.

Mrs Gravett asked for clarification that the SLT felt confident that given the circumstances that the figures were up-to-date and that the school was in a more comfortable position. Mr Buckland said that he did feel confident but the Kirkby Stephen Business Manager and Mr Weakly's time is coming to an end. He reported that he has spoken to an agency and there is the potential of a retired Business Manager who may be interested in some work with the school but things remain very

difficult. Mr Dawson added that there are things that the school would like to do but cannot as there is no-one to ask where certain bits of information may be.

Mr Airey commented that the vending machine does not draw much income. Mr Buckland answered that it attracts more bookings and all stock is included.

It was also noted that Friends of QEGS are prioritising the new build in their fundraising efforts.

Mr Airey queried whether a profit was made on school trips. Mr Buckland stated that any positive figures from this are minimal and the school has a policy whereby refunds are given to parents. The plan is always to break even on trips.

#### 6. Bank Accounts and Cash Flow

Mr Buckland presented this item informing Governors that £25,000 had not yet been transferred into an alternative account to keep accounts below the recommended £85,000. He had gone through this with Mrs Armstrong and the money could be transferred into the Investech account. This account is and still would be within the £85,000 limit.

Mr Buckland stated that £78,000 has been set aside for the CIF repayment – an email was sent on 11<sup>th</sup> June regarding repayment but still waiting for an answer. Thus he sought clarification from Governors as to whether another account should be opened to put the money in whilst the school waits for an answer which could be some time.

Mrs Rae provided some clarity on the £85,000 threshold advice saying that there is only an estimated guaranteed pay out of up to £85,000 should a bank collapse and thus, have to look at the likelihood of what banks are at risk and make a choice. It is not mandatory but the school's risk to take. **It was deemed that it was not necessary to open a new account at present but see action point on page 5.**

Mr Worrall asked if there would be any interest on the CIF repayment. Mr Buckland said that there had been no mention of this and thought probably not given the payback figure is very precise.

#### 7. Budgets

Mr Buckland circulated a document (appendix 1) detailing a three-year budget summary with the overall picture showing deficit to surpluses by August 2020.

Mrs Rae informed the committee that budgets submitted with a two-year deficit are potentially subject to a light touch approach from the EFSA. Mr Buckland reported that he had a phone call from them, explained the budget and context and had not since heard back. Mrs Rae added that a lot of schools are in a similar or worse position and her concern was that the school was currently in the middle ground at the moment without a day-to-day dedicated person looking at the finances. That said, she felt the position was better than expected but should still be very mindful.

Mr Buckland praised the staff for being supportive of a tight capitation budget and added that five extra students have been taken on to start in Year 7 in September which would raise generate another £25,000 of income.

8. CIF

As per the maintenance report, there are still snagging issues on the new build. There is also the ground to restore over the summer holiday and this should be paid for within the retention money.

With regards to the money owing, Mrs Rae asked if the repayments could be made over time? Mr Buckland said that initially he had looked into doing this but for the purpose of auditing and future bids he wished to pay the money back in full and start with a clean slate. He reported that he is looking into the Secondary School Expansion fund.

9. Maintenance

.Mr Buckland went through the report which as per the Governors' request includes details of planned maintenance over the summer holidays. Mr Buckland drew the Governors attention to three items which are required:

- The only boiler that was not replaced in the CIF funds has broken.
- Bell tower is to be fixed
- Replacement of external lights as they blow (these will be replaced with more cost effective LED lights)

There has been a pause on updating CCTV as this will cost a lot of money and is not urgent as it used more as a deterrent. Also the Sports Hall foyer is on hold but the P.E. department will be getting more storage and an extra changing room to cope with the increase in numbers.

Mr Buckland informed the committee of a new door management programme which means that they can be managed remotely and thus in the long-term this will save the school money.

There will also be a new meeting room for pastoral space (currently Room 1 is being used).

All department requests have been met.

10. Headteacher's Update

a) Procedures Manual

This has been updated by Mrs Armstrong as it is out of date and it just an update of names. Questions were invited:

- This should be reviewed annually (TBF). **Action point: Miss McMann to put onto June 2020 agenda.**
- *Has there been an internal review (KR)?* This is something that Mrs Armstrong has been looking at with Saint and Co but will check (EM). **Action point: Mrs Armstrong to call Mrs Rae.**
- The Governors have to ensure that it the school is operating within the Financial Handbook via the Business Manager and external auditors will pick

up on this. Mrs Rae was keen that an overall review is done and a reported back to Governors. Whilst not opposed to this Dr Mawson cited concerns about the pressure that is already on current staff and the effects of adding to their workload.

**It was unanimously agreed to accept the updates to the Procedures Manual and take it to the Full Governing Body on 11<sup>th</sup> July for ratification.**

b) Audit Letter

Mr Buckland circulated the audit letter which all Governors have previously seen with updates as to what has been actioned in red. As Governors are accountable for points not cleared off the letter, Mrs Rae went through the letter again with the committee.

**It was decided to get confirmation from the Full Governing Body that they are happy to have an excess of £85,000 in one of the school's bank accounts and that they accept that is a considered risk. The banks bandings and ratings should be looked at and recorded. Mrs Rae will ask Mr Ray to look at banks bandings.**

Date of the next meeting: to be confirmed

The meeting closed at 7.10pm