

## QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

### Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 2<sup>nd</sup> October 2017 at 6pm.

Present:	Mr P Buckland	Miss R McMann (Clerk)
	Mr J Leveson	Mrs G Gravett
	Mrs S Warner	Mr R Dawson
	Dr T Castles	Mrs K Rae
	Mr D Chappell (Head of Finance)	Dr E Mawson

Quorum per Terms of Reference - 4 Governors

Governors present: 6

Visitors: none

1. Apologies for absence

Apologies for absence were accepted for Mr Catterson (ill).

2. Declaration of Interest in Agenda Items

There were no declarations of interest in the agenda items.

3. Minutes of the Finance and Pay Meeting held Monday 19<sup>th</sup> June 2017 Paper: F&P201617(20)

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

4. Matters Arising

There were no matters arising.

5. Data Protection Policy

The policy is adapted from a service which the school subscribes to, The Key. Changes to the legislation are coming in May 2018 and this policy has these inclusions within it. Mr Buckland apologised that the version circulated did not show the adaptations he had made to fit the school. This is however a very generic policy.

Mrs Rae questioned the practicalities of applying this policy, and having no paper with student or staff information on a desk. Mr Buckland replied that most data is held online and that staff have to lock computers if they leave their desk.

Additionally, although there is always a danger in a data rich environment, staff have been given a clear message to keep paper to a minimum with everything to be put away in a locked cupboard and there are also white confidential waste bags.

**In light of this and the potential repercussions, Mrs Rae asked that the policy be sent to all staff, with a signature required to state that they have read and understood the policy. The Governors unanimously agreed to adopt the policy.**

6. Risk Register

This is an updated version of what is currently in place. Alterations have been made in line with current practice. There were no questions or comments. **The Governors unanimously agreed to adopt the policy.**

At the request of Mrs Rae, this will feature on the agenda on a twice yearly basis. Thus, this will next be reviewed in the May 2018 meeting.

7. Health and Safety Policy

This is an update to the existing policy and is the result of three meetings of the Health and Safety Committee. It was confirmed that Mr Catterson was involved. **The Governors unanimously agreed to adopt the policy.**

8. Review of Management Final Management Accounts to 31<sup>st</sup> August 2017 Paper: F&P201718(5)

Overall, Mr Chappell reported good results for the year ended 31<sup>st</sup> August 2017, with a surplus of £111,000 versus the £73,000 budgeted.

Favourable income variances included £6,000 gift aid reclaimed, and £7,000 from the 2017 sponsored walk (earmarked for a new minibus). Expenditure on teachers, cleaners and training was all less than budget, although there were overspends, which the committee have been aware of, on supply, maintenance and ICT.

The balance sheet looks strong. However, a significant part of this is due to CIF monies received but not spent at 31 August 2017 (£676,000).

Revenue reserves overall are expected to be £94,000 ahead of where the school started in 2016/17, reflecting the in-year surplus of £111,000 less a contribution to capital spend of £17,000.

A handout (Appendix 1) was circulated detailing the capital spend during 2016/17, amounting to £29,000 on ICT and £8,000 on Fixtures, Furniture and Equipment. This prompted a question from Dr Castles, asking if the current budget for ICT is realistic? Following discussion of this topic at the last F&PC meeting, a further £20,000 has been added to the 2017/18 budget (any more was deemed unaffordable).

9. Bank Accounts and Cash Flow

An extract from the balance sheet (Appendix 2) was circulated showing the main accounts, and demonstrating the school's healthy cash position at the end of August 2017. Again, this is under the caveat that CIF monies have boosted this.

Mrs Gravett sought clarification that the year-end accounts will contain a paragraph explaining the CIF budget, as they did last year. Mr Chappell reassured her that this would be the case, and expects that the unspent balances will continue to be disclosed as restricted fixed asset funds.

10. Budget 2017/18 Paper: F&P201718(6)

Closing reserves were anticipated to stand at £337,000 at 31 August 2017. It is predicted that these reserves will fall by £137,000 to £200,000 by August 2018.

The anticipated in-year deficit during 2017/18 has worsened by £45,000 since the last F&PC meeting (in June 2017), essentially due to two factors:

- i. Teaching staff budget
- ii. Increase in capitation budget from £85,000 to £105,000.  
Departments were asked to give realistic figures on what they needed to spend, and this initially totalled £120,000, a figure which was reduced down to £105,000 on further consideration. This revised capitation level is also close to last year's actual spend of £103,000.  
Dr Castles added that the new curriculums, introduced in many subject areas, would in turn mean an extra requirement to spend.

Mr Chappell noted that going forward beyond 2017/18 things become trickier to predict. In particular, there is a lack of clarity on the impact of changes to the Funding Formula (though it is hoped that this will become clearer in the coming weeks), due to take effect in 2018/19 and 2019/20. However, based on the indicative figures available, it appears that potential funding increases are inadequate to return the budget to a break-even position.

It was also noted that the Sixth Form entry has dropped relative to last year and thus, Mr Chappell has been cautious when estimating the future funding receivable, with a potential decrease in 2019/20. Mr Buckland echoed that Mr Chappell is right to be cautious, but was hopeful that the school would bounce back after an unusual year. This year's lower figures are in part due to a number of people taking up apprenticeships. However, he said that the school must be aware this could also be due to the facilities, which may not be comparable to other settings. Mrs Rae felt that the general consensus across the county was that Sixth Form numbers are down due to apprenticeships and the apprenticeship levy.

Mr Chappell concluded that in August 2018 the school will be solvent and, based on current forecasts, should have sufficient reserves to last until August 2019. However, this could well change due to the factors noted above. In response to Mrs Gravett's question, it was clarified that the figures do account for an increase from four to five forms in Year 7.

The second budget paper which was circulated detailed the in-year budget for 2017/18 compared with the previous year. This accounts for all the influences (net -£210,000) which moved the budget from £73,000 to -£137,000. Increased expenditure lines include the supply budget and ICT.

Mrs Gravett offered some pupil feedback that in the MFL department there aren't enough textbooks for GCSE and they are only used in class, with pupils not being allowed to take them home. Mrs Gravett feels that this is a very negative picture for parents, especially if they can see there is cash in the bank. Mr Buckland stated he is of the understanding that these textbooks are available online, which is much better

than pupils taking books home, as they become damaged and lost in some instances. However, he conceded that this may not have been communicated well enough and would rectify this.

11. Year End Audit

Saint and Co will be conducting the external audit, and this is scheduled to commence on 19<sup>th</sup> October 2017. Mr Chappell had two concerns which he wished to raise:

- i. The full £29,000 expenditure on the cost of the gates is in these accounts despite the project not being finished. However, the dates on the invoices are August 2017. Mrs Rae agreed that these costs should be included in full in these accounts.
- ii. CIF expenditure: will the auditors deem some of this as ineligible? Mrs Rae concluded that they are not here to audit the CIF bid, but the income and expenses in line with the initial bid and can say that it is all related.

Mrs Gravett queried why the gates are not closing. Mr Buckland informed the committee that there have been lots of sub-contractor issues.

**Action: Mr Chappell to alert Ian Thompson from Saint and Co to the meeting date to present the audit results.**

12. Maintenance Report Paper: F&P201718(7)

For the year ended 31st August 2017, £96,000 was spent against the budget of £60,000. This was done knowingly and included four exceptional spends:

- i. Gate work which was only partially CIF funded
- ii. Ceiling replaced in the kitchen
- iii. Work done on electrical installation
- iv. New car park

The latter three were all deemed as very good value for money and the results are pleasing.

Mrs Gravett queried if any decision has been made about the back car park. Mr Buckland confirmed that this car park will be lost due to the new build and this will in turn improve security.

Dr Castles expressed safety concerns over the new car park, with students walking on the road where cars are, particularly at the end of the day and lunchtime. Mr Buckland welcomed this observation, reassuring Dr Castles that once the gates are properly working this should not be an issue as they will be locked between 8.40am and 4.00pm. In the meantime more communication will be done. Dr Castles agreed with this stating it is about the risk and how the school has acted to minimise it.

With regards to non-recurring maintenance, the four CIF projects were discussed:

- i. Boiler project: complete
- ii. Windows: still more snagging to do

- iii. Life safety: four tenders received in writing and one via email. The two lowest bids include one from Senate. However, all bids are over the funds allocated (£395,000) so the project will have to be reduced in scope, and there may be a second round of tenders. It is hoped that the turnaround for the Tender Evaluation report from E3 Cube will be 10 days.
- iv. New build: is delayed at present due to BT and the electrical company. It is out of the school's hands as to when they re-direct services etc. In response to Mrs Gravett's challenge that there could be a danger of failing to spend the bid in time, it was reported that E3Cube have contacted the EFA and the deadline for funds to be spent has been deferred by one month. Mr Buckland also stated that whilst this is a worry, they are working on other things and he has been told that the (revised) April deadline is still realistic.

In response to queries as to how the cleaning contractors, Orian are doing, feedback seems positive, with Mrs Warner praising their hardworking attitude.

### 13. Headteacher's Update

The main focus of this report was the pay awards. National guidelines stipulate a 1% increase across the board with those on scales M1 and M6 receiving an extra 1%. However, it was decided it would be fairer to award all main scale staff the 2%.

Appraisal progression payments should be offered by 31st October in time for the November salary run. However, Mr Buckland reported that this is very hard to achieve in practical terms. In order to maintain goodwill, he suggested that an extra-ordinary meeting comprising of some Governors be held to look at a sample of appraisals and ratify the changes. As the date, of the next meeting needs to be changed, it was decided that a meeting will be held at 5pm on Monday 13th November with the Finance and Pay Sub-Committee following at 6pm. It was agreed that Mrs Rae, Mr Leveson and Mrs Gravett will attend the extra-ordinary meeting.

Mr Buckland welcomed any suggestions from the Governors for speakers to attend the GCSE or A-Level award evenings.

With regards to the Masterplan, documents detailing it as well as staff reactions have been circulated to all Governors. This will feature on the agenda for the Full Governors' meeting next week. Mr Alan Simpson has been invited to attend the December meeting.

Mr Buckland informed the committee that there will be no CIF applications for another year as the school currently has a lot on with the new build. Mr Buckland stated he was trying to push for a kitchen refurbishment but, unfortunately, it is not deemed to be in bad enough condition to apply for funding.

### 14. Any Other Business

Mr Dawson reported that he is working on a new Sixth Form prospectus, which he is hoping will be ready for January's open evening.

Mr Chappell reported that there is a new Catering Manager. As noted by Dr Castles, there have been some pricing issues. Mr Buckland is hopeful that these have been

resolved but will double check before prices are published on the website. Mrs Rae stated that we should be mindful that parents are paying for this, and that catering should not be a means for the school to make money.

Date of the next meeting: 13<sup>th</sup> November 2017, 6pm

The meeting closed at 7.25pm