Minutes of an extra-ordinary meeting of Governors of Queen Elizabeth Grammar School, Penrith, held on Thursday 26th May 2022 at 6.30pm as a virtual meeting.

Present

Miss R McMann (Clerk)	Mr P Buckland
Mr M Worrall (CoG)	Mrs T Boving-Foster (P) (Chair)
Dr J Jenkins (CoG)	Mr J Ray (CoG)
Mr M Bauer (CoG)	Mr P Airey (CoG)
Mr C Hansford (GbS)	Mr A Worth (S)
Mr N Ruddick (P)	

SLT present: Mr Dawson and Mrs Scott

Visitors: none

10 Governors in attendance until the end of item 5, 9 for the remainder of the meeting.

Quorum per article 114 – 6 Governors
(one half of the governors holding office rounded up to the nearest whole number)

GbS – Governor by Statute
MaG – Member appointed Governor
CoG – Co-opted Governor
S – Staff
P- Parent
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1. Apologies for absence

Apologies for absence were accepted for Mr Miller (holiday) and Ms Mills (long-term illness). It was reported that Ms Mills is hopeful that she will be able to attend meetings from September 2022.

2. Declaration of Interest in Agenda Items

There were no declarations of interest in the agenda items.

3. Any changes to the declaration of Business Interests

There were no changes to the declaration of interests.

Mrs Boving-Foster noted that her business has adopted Saint & Co to do their accounts but as this is the Penrith office it is not the same team of people that the school uses.

4. To consider any items to be minuted separately

No items were minuted separately.

5. Approval of the Statutory Accounts

The draft Statutory Accounts had been circulated prior to the meeting, alongside the three-year budget used in December to demonstrate to Governors that the school is a 'going concern' and the latest Management Accounts which were discussed in the April Finance meeting.

Mr Ray presented the draft accounts to the Governing Body, highlighting the following:

- The EFSA have said that the accounts must be filed in line with the Companies House deadline of 31st May. Failure to do so will result in a 'notice to improve'.
- The school has been liaising with Mr Thompson (external auditor) and the EFSA. The accounts have been amended to reflect the potential £1.5 million repayment in the current liability.
- As a result of the above, the notes have been changed in the Trustees' report to explain what happened, highlight that the school disputes this amount but is being prudent and that there are other assurances in place to justify that the school is a 'going concern'.
- Mr Thompson is comfortable with all this on the basis that the EFSA have said they will be reasonable should there be a need to repay a sum of money and it will not allow this to close the doors of the school.
- In order to be a 'going concern' QEGS has to be able to meet current liabilities / pay creditors as payments fall due. If the full amount was due now would technically have negative net liabilities but there are assurances from the EFSA that this will not be the case.
- The school is not insolvent as it still has positive total funds which is key to being able to sign off the accounts.

Mrs Boving-Foster wished to re-emphasise that the EFSA have said that they desire this to have the most minimal impact on the school and that it will not close. This is a different picture to December 2021 where they would not provide any assurances at all. A discussion was opened for the Governors to consider if they felt the school is a 'going concern' and ask questions:

- *Must make is very clear to the public why the school has to reflect this as a potential liability and emphasise the message that this is not yet proven (CH).* Professional advice has been sought and a statement has been prepared setting this out in laymans terms. This will go out on 6th June (TBF).
- *Is there anything in writing from the EFSA to confirm they will not demand any repayment in one lump sum (JJ)?* There is email correspondence and notes from meetings which underpins their assurances and thus, there is enough evidence (JR).
- *What date will the accounts be released (MB)?* They will be sent by recorded delivery in time for 31st May (final deadline). The reason for waiting until last minute is that the chance of them being published before the long Bank Holiday is very small, and so staff can be told on return from half-term break, avoiding worry during the break (TBF).
- *What are the assurances from the EFSA – is the worst case scenario paying the money back in installments and if so, is the school a 'going concern' (MB)?* The final amount to be repaid has not yet been agreed and so there is no guarantee of a repayment schedule. An extract of an email sent from the EFSA was read highlighting there would be minimal impact on the school and nodding towards working on a MAT solution**.** This has satisfied Mr Thompson that he will sign-off the accounts (TBF).
- *Has anything materially changed in the three year budget that could alter the schools finances and thus, ability to sign accounts (JR)?* The next three years show a healthy surplus – last year was predicted to be a break even situation but the school ended up with a surplus of £65,000. £30,000-£40,000 of this was invested into equipment which whilst reducing the final figure, was spent on the children. Need to emphasise at the heart of these communications that school is still a 'going concern' (JS).
- *Will the EFSA challenge the accounts if sign off as a 'going concern' (PA)?* If the auditor is satisfied and signs off the accounts, it is highly unlikely the EFSA would make any challenges (PB). Mr Thompson has been doing a lot of work and the EFSA'a last statement about this having a minimal impact on the school reflects this and this is as much as will get from the EFSA in terms of assurances (TBF).
- *Overall, it does not appear that the school's situation is much different to last year when looking to sign off the accounts (JJ).* No, it is still ongoing and the only change is the way in which it is presented in the accounts (JS).
- *Is there a fine if the school were to submit the accounts later than the 31st May deadline (CH).* Yes there would be from Companies House but this is not the biggest issue. It is that the EFSA have said that they will issue a 'notice to improve', which could have mild consequences or they could take over the school (TBF).
- *The EFSA have been as constructive as they have ever been and from their perspective pursuing a MAT will also be constructive (MW).*

The discussion drew to a close. Mrs Boving-Foster proposed to the Governing Body that the accounts were signed off as a 'going concern'. A vote was taken and it was unanimously agreed to submit the accounts as per the proposal. They will be sent via recorded delivery to reach Companies House in time for the 31st May deadline.

Thanks were extended to Mrs Scott and her team who have been working tirelessly on this and giving up time on weekends.

Mr Ruddick left the meeting to attend another commitment.

6. Timeline for Due Diligence with West Lakes MAT

Prior to the meeting, Mrs Boving-Foster proposed via email to the Governors that:

"It is suggested that the due diligence process is extended because of limited time for key people and number of answers back from the now closed consultation process. It is suggested to cancel the extra FGB on 6th June, and bring the due diligence to normal FGB on 7 July"

The rationale for this decision is to give more time to get answers from the due diligence process and to consider the feedback from the consultation process. Should the Governing Board decide to proceed once the due diligence process is complete, the RSC / advisory board the school has been working with will consider any application until the end of term before their organisations structural changes.

There was a discussion around the decision making process and the way in which the EFSA are giving feedback, making all discussions and engagement difficult.

There was a discussion regarding the ESFA report, and whether it was necessary to have the full report to decide on the outcome of the due diligence process. Some governors felt that irrespective of the ESFA report the move to West Lakes MAT currently seems to be a very positive move for QEGS, while others are still undecided, and need to see the report as part of the full picture. **All governors agreed that the due diligence process should continue.**

It was noted that the 7th July is not a final date to sign into a MAT but should the Governing Body agree, it is purely to seek permission from the existing RSC board to join West Lakes MAT.

A vote was taken and it was unanimously agreed to bring the due diligence process to the meeting on 7th July.

Action points arising from these discussions are to:

- **Circulate the two emails from the EFSA to all Governors.**
- **Obtain the finalised EFSA report as soon as possible.**

7. <u>Bank Signatories</u>

Mrs Scott wished to make changes to the signatories due to staff changes and she proposed the following, noting that no-one will have access until they are in post:

- Mr Marchant to replace Mr Buckland
- Ms Smith to replace Mr Martin
- Ms Nohavicka to replace Mrs Scott – until the appointment of a new Business Manager
- Ms Rourke to replace Mrs Armstrong as a contact and user only.

It was noted with sadness that Mrs Scott has decided to leave QEGS for warmer climates. She will be sorely missed, and was thanked for her outstanding work.

A vote was taken and it was unanimously agreed to make the changes

The meeting closed at 8.20pm