

QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 27th June 2022 at 5.30pm held via Zoom.

Present: Miss R McMann (Governance Professional)
Mr P Airey
Mr M Worrall
Mrs T Boving-Foster
Mr P Buckland
Mr J Ray

Quorum per Terms of Reference - 3 Governors

Governors present: 5

SLT present: Mr Dawson, Mrs Scott

Visitors: none

1. Apologies for absence

Apologies of absence were accepted for Mr Miller (family)

2. Declaration of Interest in Agenda Items

There were no declarations of interest.

3. Minutes from the meetings held in April 2022

It was unanimously agreed that the minutes are a true record. Mr Worrall will sign these when in school.

4. Matters Arising

There were no matters arising.

5. Management Accounts to 31st March 2022

It was hoped to have the April Management Accounts ready for this meeting, however due to Covid this was not possible. Mrs Scott was thanked for joining the meeting to talk through the accounts.

Mrs Scott reported that the accounts are still very positive and although the April ones are not quite finished, she assured Governors that there was nothing coming through which would be a cause for concern.

Mrs Scott was pleased to report that the school had received some more Covid money in April, amounting to £14,500. There is no obvious pattern as to if / when this comes in but it is most welcome. She informed Governors that this will go into the accounts once she has calculated Covid costs but that the school have been very lucky and able to manage cover in-house. Mr Buckland added that he felt all the work the site team

have done on preventative cleaning and Mrs Scott's management of this has been crucial to keeping Covid cases down.

Governors asked if there were any terms attached to this money and that as it appears to come in at random, is there a chance the school has been awarded it incorrectly? Mrs Scott answered that this is paid to all schools and in the first instance she thought there was a connection between logging results and the money awarded. The Statutory Accounts made it clear what Covid support money had been awarded with note on how it was used, for example, site cleaning costs. The real cost of Covid will be more than the money that has come in and praised her team for all the hard and effort they have put in.

Mrs Boving-Foster asked if it was necessary to reflect the potential £1.5 million liability in the balance sheet. Mrs Scott answered that she had thought about this but crucially this is an internal only document and the balance sheet reflects what is going on now. Mr Ray added that presently he was happy with it not being reflected as all Governors are aware of this issue and had agreed on 26th May that the school was a 'going concern' and nothing has changed since then. It was noted that Governors must always be mindful that the school is a 'going concern'.

Mrs Boving-Foster sought approval to send this set of Management Accounts to West Lakes as per the request as part of their due diligence. **Mrs Scott said that she was happy for this to happen and all Governors unanimously agreed. Action point: Mrs Boving-Foster to send these.**

6. Bank Accounts and Cash Flow

Mrs Scott reported that all bank accounts are buoyant as money is coming in from school trips. As per the Full Governor minutes of 26th May, Mrs Scott is in the process of changing signatories. Additionally, the process is ongoing moving the NatWest money into the HSBC accounts, and thereafter the Skipton Building Society as agreed in a previous meeting. There were no questions or comments. **The Governors unanimously agreed to the amounts held in each bank account.**

As both Mrs Scott and Mr Buckland are leaving, the process is in place to change the names on the credit cards. It is noted that both the cards are linked to HSBC bank and they are kept in the safe.

7. Due Diligence Process

Mr Ray said that his intentions were to purely give an outline of the process that has been followed. The Full Governors' meeting on 7th July will be where this is discussed in great detail. He said that he felt it would be unfair on the rest of the Governing Body to give too much detail to this committee. The papers around this will be circulated a week before the Full Governors' meeting and questions / comments will be welcomed before or during that meeting.

West Lakes have gone through a very rigorous process using third parties to go through areas such as human resources, maintenance, I.T. and accounts. The process which QEGS is following is focusing on the following:

- 6% top slice and what the school gets in return for this;
- Process for the budget
- Maintenance and the scheduling of costs
- What the potential merge means for staffing and salaries.

It was noted that this has all been done internally and at this point no third party is required. In relation to this point, a Governor questioned at what point might the school have to invest in third party help and is Mr Ray comfortable with looking at the accounts, in that Governors with less financial knowledge will be almost be relying on his knowledge and it is a big responsibility.

Mr Ray answered this by saying he felt there is no need to obtain a third party for financial elements – West Lakes are doing so because they are the bigger party in this, whereas this is a more broad brush approach, with as much focus on culture. This will also become clearer when all the papers are finalised and sent out ahead of 7th July. He added that should the process continue beyond due diligence then there would be a point where a third party would need to be employed to look at TUPE transfers and contracts. Mrs Boving-Foster added that she has read through a lot of material on this and the advice from the DfE is very vague but to make use of publicly available resources.

Mr Worrall thanked Mr Ray and the Finance time for the huge amount of time spent on this.

8. Maintenance Report

The focus of this item was on the external Health and Safety audit conducted by Cumbria County Council. Overall, Mrs Scott said that she was very pleased with the report, which had previously been circulated to Governors. There were a few issues that she did not agree with, but added that there were some great ideas in there that the school will be adopting. The biggest problem is legionella but the school is acting upon this by changing inspectors and a full Risk Assessment will be done on the school.

In response to Mrs Boving-Foster's query about any building issues, Mrs Scott answered that the audit was very thorough and they walked around the whole site with the exception of the hall and the gym (exams were taking place), and there were no major concerns - everything was deemed to be safe.

Mr Worrall suggested that this might be a useful document to send to West Lakes. Mrs Scott said that they had finished looking into this area but the team have worked so hard that it would be a good idea. **Action point: Mrs Scott to send this onto West Lakes Consultants.**

9. Headteacher's Update

Mr Buckland updated the committee that despite advertising for a new Business Manager there was not a suitable field of candidates. However, this has been re-advertised with a closing date of Wednesday 29th June and it is hoped there will be a better field. There are contingency plans and temporary measures which can be put in place if needed but Mr Buckland said he would wait until after the advert has closed.

It was noted that sadly this is Mrs Scott's last Finance and Pay meeting and that she will be missed.

It is proposed that the next meeting date is 26th September 2022 although the meeting dates for next year will be discussed at Full Governors next week.

The meeting closed at 6.00pm.