

QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 26th September 2022 at 5.30pm held via Zoom.

Present: Miss R McMann (Governance Professional)
Mr G Miller (Chair)
Mr P Airey
Mr M Worrall
Mr D Marchant
Mrs T Boving-Foster
Mr J Ray

Quorum per Terms of Reference - 3 Governors

Governors present: 6 until part-way through item 12, 5 for the remainder of the meeting.

SLT present: Mr Dawson, Ms Rourke

Visitors: none

Mr Miller is the new elected Chair for this sub-committee. He wished to cite that whilst he has experience in chairing committees, his financial experience was limited and thus, queried if it came to OFSTED, for example, whether he is the right person. Mr Ray said that in this event he would step-in but he felt it was a conflict of interest chairing this committee as he conducts the internal audit.

Introductions and welcomes were made to the new Headteacher, Mr Marchant and Head of Finance, Ms Rourke.

1. Apologies for absence

There were no apologies for absence.

2. Declaration of Interest in Agenda Items

There were no declarations of interest.

3. Minutes from the meeting held in June 2022

It was unanimously agreed that the minutes are a true record. Mr Worrall will sign these when in school. The action points with regards to sending documents to West Lakes have been completed.

4. Matters Arising

There were no matters arising.

5. Management Accounts to 30th July 2022

The Management Accounts had previously been circulated until the end of July 2022 but Ms Rourke advised that she has almost completed the accounts up to August 2022.

With regards to the July accounts, they record a surplus of £110,000 to date and presently the August accounts potentially present a surplus of £134,000. However, the August accounts are still subject to some year-end adjustments so this figure is not final. Once these accounts are finalised they will be converted into the budget.

There were no questions or comments.

6. Bank Accounts and Cash Flow

The balance sheet detailing the amounts held in each account and cash flow had previously been circulated. The HSBC account is the only account with more than £85,000 within it. There were no issues to report, nor questions or comments.

The Governors unanimously agreed that they are satisfied with the amounts held in each bank account.

7. Update to the 2022/23 Budget

An updated budget had previously been circulated which unfortunately shows a swing by £245,000 meaning the school is predicted to have a deficit of £118,000 by the end of the next academic year. This is due to a huge rise in energy costs (500% between April 2021-22) and the pay increases had not been fully modelled into the budget.

However, since the circulation of the budget, the government have announced that energy costs will go down (though it is noted that they are still much higher than they were) and with this in mind the deficit should reduce to around £20,000. Ms Rourke concluded that whilst this is still a hit, she still had some more work to do in reviewing all the figures and this will be an evolving document.

Mr Marchant re-iterated that they are still making sense of last years' accounts and added that he is hopeful that the Government may announce support with the rise in teachers' salaries (3%). Whilst they are working through last years' accounts it means it is difficult to establish what money there is and therefore, Mr Marchant is holding off making any appointments that are not essential.

Questions and comments were as follows:

- *The whole country is in the same position and whilst this is not ideal, the budget will evolve and support the sensible approach by Mr Marchant (JR).*
- *Is there a guarantee of support for the teacher pay increases (PA)?* No but every school is crying out for support with all the unions making mass movements in this area. The surplus from this year will really help QEGS (DM).
- *Is it correct that the porta cabin toilets are going (TBF)?* Have been looking at ways to save money and they are not good value. Therefore, looking to pull back from October until Easter, when they are not used as much, and then possibly using again during the summer term when there are outdoor fixtures. They are a very expensive luxury (DM).
- *Was the position of the School Business Manager not included in the budget (TBF)?* Was led to believe that it was along with an Assistant Headteacher but

this turned out not to be the case. Ms Rourke and the finance team are managing the financial aspects of the school. The health and safety and site management that Mrs Scott did as part of her role, falls onto the headteacher's doorstep but taking a pragmatic approach and keeping things ticking over. There is a need for an Assistant Head with a defined role but at the moment cannot justify this spend. Any recruitment will be to positions which are essential and not a luxury until there is further clarity (DM).

- *With regards to the budget that was sent to the EFSA, will there be any consequences / a need to re-send it, as the revised forecast has altered a lot (TBF)?* Every school will be in the same position as the rise in energy costs and pay increases have blown all budgets out of the water. Until there is certainty on the budget, there is presently no point in re-submitting anything (DM).
- *Do you have any concerns over the resources in your team if holding back on recruitment (JR)?* Very comfortable with all the financial aspects and keeping up with the work (RR). There is a lot and as it stands a lot of things fall back onto the Headteacher. Additionally, should the MAT go ahead, there is potential to use central expertise. Therefore, hesitant to make any longer term appointments until it is known whether the MAT will go ahead. There is the capacity to manage the site on a day-to-day basis but not the big jobs. (DM).
- *Agree with the pragmatic approach (MW).*

Mr Miller offered the support of the Health and Safety Committee, citing that it has made great progress over the last year and becoming more open and responsible in communicating / resolving any issues in this area.

To conclude it was agreed that a revised budget will be circulated for the next meeting and it is noted that this will be a working and evolving document.

8. Financial Procedures Manual

Mr Ray presented this item that there needed to be some immediate changes to personnel as per the previously circulated document with suggested amendments. Mr Ray felt that these amendments sensibly deputise practical things and he is comfortable that there is a sensible balance. **The Governors unanimously agreed to adopt the proposed temporary changes to the Financial Procedures Manual.**

In response to a question from Mr Miller, the school is in process of changing signatories and names on credit cards which is proving to be an onerous process. The credit cards in the name of Mr Buckland and Mrs Scott are secure in the school safe. Mr Marchant will have one card allocated in his name and it was proposed that Ms Rourke in her capacity as Finance Manager have the second card in her name. The Governors were reassured that there is a limit on them and proper checks and balances are in place. **The Governors voted and it was unanimously agreed that the second credit card should be in the name of the Finance Manager.**

Mr Ray added that in the next meeting the appendices will need to be re-ratified as there will be changes to some of the policies within them, for example the Whistle Blowing Policy is to be updated. Mr Marchant wished to propose an additional

sentence to appear within the manual. The rationale for this is that there needs to be an Investment Policy but in the meantime he proposed the following wording:

“Surplus money will be placed in a low risk account with a reasonable interest rate that is accessible in an emergency”. A vote was taken and it was unanimously agreed to add this sentence into the manual.

Mr Ray noted that he is yet to do the internal audit but his plan was to do one for a full year period during October in time for the external audit. The intention is to present his findings in the meeting on 7th November.

9. Maintenance Update

Mr Marchant noted that a lot of this has already been covered during the discussions. An advert is ready to go out for an assistant on site as the school is down by one and this position is essential. This will be advertised as a 52 week contract so that work can be done during the holidays without it constituting overtime and also the timing of the working day will be thought out to ensure cover on site when it is needed.

Mr Marchant reported that a new office has been created in the Bernie Building and other minor projects have been completed to ensure the school is health and safety compliant. The work of Martin was acknowledged.

In response to Mr Miller's question, quotes are being obtained for the legionnaires (2 of 3 have come back) and the cost is looking likely to be around £3,800.

10. Lettings

As per the action point from previous minutes, it was agreed to review lettings prices. There has not been an increase in these since 2013. Research has been done – the school currently charges £30 per hour for use of the Sports Hall in comparison to the Leisure Centre which is £60 per hour, though it is noted that the Leisure Centre has more facilities. It is felt that a pragmatic approach is needed and it is proposed that the cost of the Sports Hall increase to £35 an hour and £5 per session with the potential that this will be reviewed again. With regards to the netball court, there will be no charge for this as the site is open and they are accessible and do not want to put people off.

A vote was taken and it was unanimously agreed to adopt the price increases from 1st January 2023.

11. Catering

A document was pre-circulated to the committee. It was noted that QEGS' school meals are much cheaper when compared to other schools and that prices had not gone up in fifteen years. Mr Marchant proposed to the committee that lunch time items go up by no more than 30p per item and break times 20p per item. This would equate to

£2.50 a week increase and £10 in a month. It is proposed that there also be a meal deal within the price of a free school meal and he would also like to put the price of bottled water up but students would be able to purchase reusable bottles at cost price and fill these up at water fountains in school. He added that he was not willing to go up any further presently as mindful of the current climate and as with the lettings this can be reviewed again. Should the Governors agree to this, the best estimate is the canteen will be in a break-even situation. Ideally, there needs to be a good balance between it being profitable but providing a good service of a decent healthy meal for children.

Questions and comments were invited:

- *Sensible to take a step-by-step approach to increasing costs (GM).*
- *With regards to the re-usable bottles, one of the School Council's aims was to go plastic free so this is good from their point of view and can tie that in when communicating changes (GM).*
- *Previously there had been a surplus recorded in the canteen (PA). Supply costs have risen on average by 10% and whilst previous reports showed a surplus, they did not take into account the staffing or energy costs (DM).*
- *Is there anything planned regarding a healthy food profile (TBF)? This is something to be looked at and making more use of local providers (DM).*
- *Suggestion that the pricing is reviewed on an annual basis(PA). If agreed, the intention is that the new pricing comes into effect after the October half-term and then review again in the summer term ahead of the next academic year (DM).*

Mr Miller concluded by saying he thought smaller increases more frequently was the best way forward and asked Governors to vote on whether they agreed to implement the proposed price increases. **The Governors unanimously agreed to the proposed price increases to take effect after the October half-term.**

12. Headteacher's Update

Mr Marchant felt the meeting had covered all the points he wished to make. However, he did wish it to be noted that he has had a fantastic first few weeks with great people. There will be challenges going ahead into winter and the situation is constantly changing but he most grateful for all the help and support he has received.

Mr Worrall left the meeting.

Mr Ray wished to cite his concern that when it comes to the external audit, he feels there is a skills gap since Mrs Rae left the Governing Body and he felt that he does not have the depth of knowledge required for the meeting which takes place between the Governors and Mr Thompson of Saint & Co. Therefore, he suggested that he asked Mrs Rae to attend this meeting as a consultant. However, concerns were cited that there may be a conflict of interest in some of the other work which she does. Therefore, it was felt to be a more sensible approach to ask Mrs Rae if she could recommend anyone who could help in this meeting.

Mr Ray also felt it was necessary to have a conversation about the school being a 'going concern'. All present agreed that at this point the school is a 'going concern' as there have been no fundamental changes since the last updates. However, it was felt that with regards to the audit, honest and open conversations should be had with Mr Thompson at the earliest opportunity to ensure that Saint & Co are happy the school is a 'going concern'.

There was a discussion around the timing of the next meeting to ensure the payroll deadline is met for any agreed pay awards and also to ensure the internal audit is discussed before the external audit. **It was agreed that the pay awards meeting will happen the week commencing the 31st October and the scheduled Finance and Pay / Risk and Audit meetings will happen as normal at 5.30pm on Monday 7th November.**

The meeting closed at 7.20pm.