

QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 7th November 2022 at 5.30pm held via Teams.

Present: Mrs S Denyer (Secretary)
Mr G Miller (Chair)
Mr M Worrall
Mr D Marchant
Mr J Ray
Mrs J Jenkins

Quorum per Terms of Reference - 3 Governors

Governors present: 5 until item 3, 3 for the remainder of the meeting.

SLT present: Ms Rourke

Visitors: none

1. Apologies for absence

Mr P Airey – work
Mrs T Boving-Foster - holiday
Mr Dawson – work
Ms J Mills – work

2. Declaration of Interest in Agenda Items

There were no declarations of interest.

3. ESFA Report including Notice to Improve

The ESFA will publish the Ntl on Friday 11th November 2022. The school will look to rectify all points raised in the Ntl as quickly as possible.

Mr Worrall and Mrs Jenkins left the meeting

4. Minutes from the meeting held in June 2022

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

5. Matters Arising

Mr Miller would like to add a standing agenda item to future Finance & Pay meetings to review updates on the ESFA Ntl.

A previous action to ratify appendices within the Financial Procedure Manual will be taken forward to the next meeting. Ms Rourke to action.

6. Teacher Pay Progressions

All teacher pay progressions were presented to the committee in a separate meeting on the 3rd November 2022.

A national 5% pay increase to teacher salaries has been announced by the DfE. Ms Rourke confirmed this has now been included in the budget. Mr Marchant confirmed no communication has been received regarding additional funding to cover the increase.

Ms Rourke announced support staff have been awarded a pay increase of £1925 to their annual salary as agreed by unions. This will be an absolute figure, meaning some staff will see up to 10% increase to their annual salary.

The Governors unanimously agreed to all pay progressions presented to the committee.

7. Review of the Management Accounts

The accounts now show a surplus of £94,980 due to additional income of £138,000 received from Covid mass testing scheme and other eligible grants. The main areas that do not appear to have been budgeted previously include energy costs, recruitment, postage and carriage and educational consultancy fees.

Saint & Co have conducted an audit on the accounts in the past week and Ms Rourke reported initial conversations with auditors have been positive.

Mr Ray offered his thanks to Ms Rourke for the new accounting template, providing greater clarity. He requested the heading include 'Original Budget' to further enhance the understanding. **Ms Rourke will action the change the column heading.**

8. Bank Accounts and Cashflow

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.

The Natwest account, current balance of £52,374 is to be moved to the HSBC account once all matters relating to correspondence details with Natwest have been finalised.

Ms Rourke confirmed signatories and correspondence details have either been updated or are in progress for all accounts.

There were no further questions or comments.

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

9. Budget for 2022/2023

A revised budget was previously circulated. Ms Rourke noted two main factors to the revised budget; the budget now includes a currently unfunded 5% increase to teacher salaries and the supply staff pay increase. The second factor to note is the increase in gas costs. The government cap will apply to our charges until March 2023, when the cost will increase to 20p per unit compared to 2p per unit at the same point in the year previous. Although it is expected energy use will decrease at this point, the potential impact on the budget should be noted. Mr Marchant expressed his concern on the long term impact of energy price rises on the school budget.

Ms Rourke explained growth has been included into Sixth Form due to increased numbers on roll in Year 11. Mr Marchant confirmed this would have minimal impact on the staffing model due to class structure for A Levels.

Mr Marchant explained the budget does not include any of the wish list items of works/expenditure over the next 2 years, nor are any remedial works costed as of yet. Mr Ray noted the SRMA visit due in the next week will review the budget in detail and will provide conclusions based on comparative schools. Mr Marchant expected this to capture the non-negotiables required to run the school, and for justification to be presented on other items.

Questions and comments were invited:

- *Do we need to agree un-costed elements (GM)* Mr Marchant agreed it would be useful to take a best guess approach to bring further clarity to the budget. Each meeting will provide a more accurate forecast.

Mr Marchant would like to record his thanks to Ms Rourke and her team for the work completed on the revised budget. The amount of work undertaken by Ms Rourke in the past few weeks should not be underestimated. After reviewing the budget Mr Marchant is confident in the accuracy provided and is assured this will continue.

The Governors unanimously approved the revised budget for 2022/2023.

8. Maintenance Update

An Assistant Site Manager has been appointed and will join the school at the end of January. Mr Marchant confirmed temporary support has been engaged to help the current site manager. Unfortunately, the Site Manger has had a period of illness and the additional support is required immediately to work through the snagging list.

A CIF bid is in progress to upgrade electrical wiring and fire protection systems. The due date for completion of the bid is January 2023.

Ms Rourke confirmed as per previous action, a contractor is now in place to deal with Legionella protocols and has already visited the school.

10. Proposed amendment to the Financial Procedures Manual re; quotation & tendering

Mr Marchant explained the threshold for quotations and tendering processes is too low and causing progress issues. He proposed the threshold for three quotations to be raised to £5000 and the threshold for tendering to be raised to £15,000.

Questions and Comments:

- Have we any guidance from the ESFA? Mr Marchant stated the thresholds are much lower than his used to in his previous schools and the levels proposed are within the guidance. He noted the increase would also be in-line with local practices.
- Can we add in a section to justify value for money (JR) Mr Marchant happy for this to be included and for decisions to be robustly challenged. He further noted the current system was not sustainable.

The Governors unanimously voted in favour to amend the Financial Procedures Manual to update the threshold amounts as requested and to add a section to justify value for money.

11. Headteacher's Update

Mr Marchant felt the meeting had addressed all the points he wanted to cover. Mr Marchant discussed the Ntl and its requirements. He reiterated his desire to discharge the conditions as quickly as possible. A number of changes have already been made to strengthen the financial procedures of the school and this had been recognised by the ESFA.

12. Items to be added to the next agenda

As already discussed in the meeting, a standing agenda item to be included is ESFA Notice to Improve, to provide update a review on the discharge of conditions.

Mr Ray asked for Financial Prodecures Manual to be added to the next agenda. He expected following the meeting with SRMA, further process change may need to be actioned.

The meeting closed at 6.45pm.