

# CHELMSFORD COUNTY HIGH SCHOOL FOR GIRLS

## Minutes of a meeting of the FACILITIES & FINANCE COMMITTEE held at the School at 8.00am on Wednesday 15<sup>th</sup> November 2017

Present:	Richard Vass Peter Cook Nicole Chapman Richard Brown Margaret Cousins Duncan Stevens Mary Argent	Chair Vice Chair Head  Associate Member
In Attendance:	Susan Hoefling Wendy Newton Tom York Fiona Gilmour	SLT – Business Manager Clerk to Governors Edmund Carr LLP (8.15am – 8.47am) Senior Finance Office (8.15am – 8.57am)

### ITEM 1 – APOLOGIES FOR ABSENCE

1. There were no apologies for absence to receive.

### ITEM 2 - DECLARATION OF INTERESTS

2. There were no declarations of interest further to those already stated on the Register of Business Interests for 2016 – 17.

### ITEM 3 - MINUTES OF THE PREVIOUS MEETING

3. The minutes of the Facilities & Finance Committee meeting held on 9<sup>th</sup> October 2017 were approved and signed as a true record.

### ITEM 4 - MATTERS ARISING

4. Item 9 – Para 15 – HR Issue. The Head updated the Committee on the progress of an issue concerning a peripatetic music teacher. The matter was with Essex Legal Services and further details were awaited. The School was also waiting to hear from its insurers to ascertain if financial help would be available for the matter. Governors stressed that the situation of the three remaining self-employed peripatetic music teachers must be reviewed once the current issue was concluded.
5. Item 12 – Para 22 – LED Lighting. The Business Manager advised that the LED lighting project was nearly complete and that the remaining work was to take place the following weekend.

**8.15am – Tom York, the School's audit partner from Edmund Carr LLP, and Fiona Gilmour, the School's Senior Finance Officer, joined the meeting and introductions were made.**

### ITEM 5 – ANNUAL COMPANY ACCOUNTS

6. Item 5.1.1 – Company Accounts. The meeting reviewed the CCHS Consolidated Company Accounts for the year ending 31<sup>st</sup> August 2017 and Tom York summarised the areas of note within the Statement of Financial Activities. It was reported that total income had dropped from £5.439 million in 2016 to £5.188 million in 2017. The drop of £250,000 in income was due to a reduction in the 16-19 Grant, having no EFSA Buildings Grant this year and a slight increase in GAG Funding. Expenditure had risen from £5.679 million to £5.804 million, an increase of £125,000 due to an increase in contribution levels to the LGPS pension deficit and expenditure on capital development projects. An overall net loss of £(616,181) was reported for the year 2016-17. Governors discussed whether additional explanation was required in the accounts to explain the overall financial situation in greater depth but it was agreed that no amendment was required. The Group Balance Sheet was

### ACTION

summarised and assets of £10.197 million were reported. It was noted that the defined benefit pension scheme liability had reduced from £2.17 million to £2.095 million.

**ACTION**

7. Item 5.1.2 – Management Letters. Tom York reported that no major issues had been found in the accounts or during the audit process. A clean audit report and regularity statements were to be signed off by Edmund Carr. The auditors' Letter of Comment' for the year ending 31<sup>st</sup> August 2017 had no issues or adjustments to report and the Senior Finance Officer was commended for her work on preparing the Company Accounts. Letters of Representation for audit purposes and regularity were received and noted by the Committee.

8. Item 5.2 – Systems Report. The auditors' systems report on accounting and internal controls was reviewed. A couple of findings had been reported and the details behind the issues were explained to the Governors. All findings were of a low priority and of no major concern. It was stated that the issues had already been addressed by the School. Tom York agreed to amend one item in the report. One item had not been completed as the auditors were still awaiting bank input.

9. Decision. The Business Manager agreed to amend the wording in the School's Financial Regulations to address the findings of the System Report and present them at the next meeting.

**S Hoefling**

10. Item 5.3 – CCHS Capital Development Ltd. The Annual Report and Financial Statements for CCHS Capital Development were reviewed. Income donations of £74,036 were reported for the year which was very similar to the previous financial year. Expenditure of £229,494 had been made in the form of grants to the School; much of this related to School building projects. The fund balance at the end of the financial year was £142,600. The Head informed the meeting that the School had now received Dame Margaret Anstee's legacy donation, to be included in the next report.

11. The Chair thanked Tom York and the auditors from Edmund Carr for their work on the audit. In reply, Tom York thanked the School for facilitating an easy audit.

**8.47am – Tom York left the meeting.**

12. VAT Recovery Rate - Decision. The Business Manager raised the issue of the School's current VAT recovery rate. It was stated that the VAT recovery rate should be reviewed annually and adjusted if required. It was agreed that the VAT recovery rate would be reviewed in April 2018.

**S Hoefling**

13. Lettings Income - Decision. The Senior Finance Officer informed the meeting that the School's business income was approaching the £85,000 threshold above which the School would be required to be registered for VAT. It was reported that most of the business income came from lettings income relating to the hire of the School's sports facilities. There was a discussion as to whether such letting income could be classed as educational which was not VAT chargeable. The Business Manager and Senior Finance Officer agreed to investigate further in relation to VAT.

**S Hoefling  
F Gilmour**

**8.56am – Fiona Gilmour left the meeting. 8.56am to 9.05am - The meeting adjourned briefly.**

## **ITEM 6 – FINANCIAL REPORTS**

14. Item 6.1 – Income and Expenditure Report. The 2017-18 year-to-date Income and Expenditure Report for Month 2 was received. There had been some unexpected expenditure relating to long-term staff sickness cover, the ongoing HR issue and Technology staffing. The Head advised that it was hoped that the two members of Technology support staff would be re-deployed within the School so that redundancy could be avoided. It was noted that Key Performance Indicators (KPIs) were now included in the report and that the concept was to be developed further in the future.

15. Item 6.2 – Cash Flow Forecast Report. The Cashflow Forecast Report for November 2017 to August 2018 was received. The Business Manager reported that arrangements had been made to transfer some of the cash deposits into long-term 12-month deposit accounts. The Chair advised that the rate of 0.9% was a very good rate and the best currently available from the major banks.

16. **Item 6.3 – Five Year Forecast Report.** A revised 5-year budget forecast was received and discussed and the Business Manager explained the assumptions on which the figures had been based. It was noted that income forecasting was very difficult and that the GAG income statement for academic year 2018-19 was not expected until March 2018. There was debate on the Sixth Form student figures used to gauge future income in the forecast. The meeting was reminded that student income was lagged and any increase in income based on a larger Year 12 cohort of 150 or more students would not be received until 2021-22.

17. There were concerns over the large end of year deficit figures presented in the report which increased from £(179,922) in 2017-18 to the cumulative figure of £(893,510) in 2021-22. Governors acknowledged that the figures presented were cautious and best guesses in the light of so little information being received from EFSA. The figures were described as being very prudent with understated income figures. The meeting discussed the general deficit issue and noted that this was the reason money had been set aside in reserves in order to alleviate future shortfalls. Governors noted that it was important to continue to address savings including group sizes and subject availability.

18. **Decision.** The Business Manager agreed to revise the forecast once the new GAG income information had been received and include a range of possible Sixth Form numbers. The forecast up to 2020-2021 would then be presented at the GB meeting in March 2018.

**S Hoefling**

### **ITEM 7 – HEALTH & SAFETY**

19. **Item 7.1 - Facilities Management Audit.** A health & safety (H&S) audit on facilities management had been undertaken in September and the audit report was received. The School had achieved an overall score of 82.35% and it was deemed a good report with no significant findings. A few documentation issues had been raised along with some preventative issues. Governors queried a finding on machinery safeguarding systems and the Business Manager explained the issue, it related to servicing procedures and not physical guards on machinery.

20. **Item 7.2 – Health & Safety Policy.** A new Health & Safety Policy was presented for review. The policy was based on a model received from the Southend H&S Advisory Service and amended to reflect CCHS. The meeting discussed the content of the policy and some amendments were suggested. It was stated that the policy would be presented for Full GB approval in March 2018. The Business Manager advised that formal, signed-off H&S training was required to be received by all staff on an annual basis.

21. **Decisions.**

- a. Peter Cook agreed to pass his H&S Policy amendments to the Business Manager.
- b. The Business Manager agreed to organise H&S training for all School staff.

**P Cook  
S Hoefling**

### **ITEM 8 – GENERAL DATA PROTECTION REGULATION**

22. The meeting received information on the new General Data Protection Regulation (GDPR) and were advised that it comes into force on 25<sup>th</sup> May 2018. A GDPR audit had been undertaken by the Governance Team at ECC during the Summer and a number of areas within the School had been found to be non-compliant. A full report plus additional information documents had been received from ECC which now required further review. The Business Manager advised that the School was required to have a Data Protection Officer (DPO) and that a DPO service was being offered by ECC at a cost of £7000 per year. The meeting discussed the concept but agreed that further information was required on the issue. Governors were advised that no information had been published by DfE on the matter and it was a very large burden for schools as they were responsible for a large amount of children's data. It was noted that schools must make their best efforts to comply with the GDPR requirements and that some form of consent process was essential.

23. **Decision.** The Business Manager agreed to send the ECC GDPR documentation to Richard Brown for his review.

**S Hoefling  
R Brown**

## **ITEM 9 – BUSINESS CONTINUITY PLANNING**

**ACTION**

24. A draft of a new School Business Continuity Plan, based on a model from the National Association of School Business Managers, was presented for consideration. It was noted that some areas still needed to be finalised. The meeting reviewed the document and stressed that the document would need to have ongoing amendment based on experiences and events as they happened. The systems in place for off-site disasters was queried and the Head summarised the stringent procedures in place for any trip-related emergencies. The Committee were informed that the document was to be presented at the next Full GB meeting.

## **ITEM 10 – CAMPUS DEVELOPMENT**

25. The meeting was informed that there was possibly a new opportunity of DfE capital funding to assist the expansion of grammar schools and that the School's building consultants were now obtaining budgetary costs for the School's Sports Hall and Teaching Block project. The new bid for funds has to be submitted by 9<sup>th</sup> December and the Business Manager asked for guidance on how much the School was prepared to contribute to the project from the £300,000 reserves fund. The meeting discussed the issue and it was suggested that energy conservation information may be beneficial to the bid and that additional funding may be available in the form of a Salix loan.

26. **Decision.** It was agreed that the School would allocate the sum of £200,000 from the Capital Development Reserve towards the £3.5 million Sports Hall and teaching block project bid.

**S Hoefling**

## **ITEM 11 – GHSA PRESENTATION**

27. The meeting received a copy of a presentation on Funding & Efficiency which had been presented at a GSHA meeting in October. The Head advised that the School already did most of the suggestions which had been made in the presentation. It was reported that the amount of lettings income received by the School was very high in comparison with other schools. The Business Manager suggested that one possible new stream of income could be to rent out car parking spaces using the area beside the Seymour House entrance. It was noted that whilst surfacing and additional gates would be required, the project could pay for itself in two years. The meeting discussed the general concept, related issues and whether there would be a demand for it.

28. **Decision.** It was agreed that the Business Manager would prepare a costing plan for a car parking facility at Seymour House.

**S Hoefling**

## **ITEM 12 – ANY OTHER BUSINESS**

29. **Payroll Provider.** The Business Manager advised the Committee that in light of recent problems with the School's current payroll provider, ECC, alternative payroll providers had been investigated. It was confirmed that any change would start at the beginning of the next tax year and that notice would need to be served to ECC before the end of December if a change was to occur. It was stated that a new provider was likely to be more expensive.

30. **Decision.** The Business Manager agreed to send a recommendation for School payroll provider to the Committee by email before the end of the term.

**S Hoefling**

31. **Vote of Thanks.** This was the last meeting for Staff Governor Margaret Cousins whose term of office finished at the end of term and who was retiring the following year. The Chair thanked Mrs Cousins for her commitment to the Committee and for her knowledgeable and valued input on School matters during meeting discussions.

## **ITEM 13 – DATE OF NEXT MEETING**

32. **Decision.** The date of the next meeting was changed to be 8.00am on Wednesday 14<sup>th</sup> March 2018 (from 28<sup>th</sup> February).

**All**

The meeting closed at 10.17am.

Agreed as a true record.

R Vass  
Chair

14<sup>th</sup> March 2018