

CHELMSFORD COUNTY HIGH SCHOOL FOR GIRLS

Minutes of a meeting of the FACILITIES & FINANCE COMMITTEE held at the School at 7.45am on Wednesday 21st November 2018

Present:	Richard Vass	Chair
	Richard Brown	
	Peter Cook	Vice Chair
	Nicole Chapman	Head
	Mark Rowell	
	Duncan Stevens	
	Mary Argent	Associate Member
In Attendance:	Susan Hoefling	Business Manager
	Wendy Newton	Clerk to Governors
	Fiona Gilmour	Senior Finance Officer (8.05am – 8.30am)
	Tom York	Edmund Carr LLP (8.05am – 8.30am)

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 2018 – 19.

ITEM 3 - MINUTES OF THE PREVIOUS MEETING

3. The minutes of the Facilities & Finance Committee meeting held on 10th October 2018 were approved as presented.

ITEM 4 - MATTERS ARISING

4. Item 5, Para 11 – Catering. The Chair advised that he had contacted the Local Authority Catering Association (LACA) and that their East of England division were expected to contact him.
5. Item 7, Para 15f – CCTV Policy. The Business Manager reported that the revision of the School's CCTV procedures was currently in progress.
6. Item 8, Para 17 – GDPR Audit. It was confirmed that the new Business Manager would be fully briefed on the outstanding requirements of the GDPR audit's action plan.
7. Item 16, Para 38 – Risk Register. It was confirmed that Finance Risk 51 had been amended in the School Risk Register and that a new risk relating to GDPR had also been added.

ITEM 5 – ANNUAL COMPANY ACCOUNTS 2017 - 18

8. The Business Manager advised that new ESFA guidance required auditors to report any findings of schools buying alcohol in their audit systems report. It was stated that even if the School purchased alcohol using unrestricted funds for parent and social events a formal comment would have to be raised by auditors. The School had not purchased any alcohol during the 2017-18 financial year but had in September 2018 and a comment would therefore be raised in next year's audit system report. The Business Manager asked for guidance as to how the School wished to address this issue in the future. It was suggested that the PA could be approached to purchase any future alcohol required for School events. The Business Manager then summarised the comments raised in the auditor's Management Letter and the meeting discussed the issues. It was noted that the issues were not significant and would be taken up with the Edmund Carr LLP auditor, Mr Tom York, who was due to join the meeting shortly.

ACTION

8.00am – The Head joined the meeting.

8.05am – Tom York and Fiona Gilmour joined the meeting.

9. Item 5.1 – Company Accounts. The meeting reviewed the CCHS Consolidated Company Accounts for the year ending 31st August 2018 and Tom York summarised the areas of note within the Consolidated Statement of Financial Activities for the year. Donations to the School totalled £225,000, significantly more than the previous year due to the receipt of a major legacy, total income had therefore increased from £5.18million in 2017 to £5.3million in 2018. Expenditure had risen from £5.8million to just over £6million mainly due to the uplift in staff costs. A possible end of year loss of £(710,656) had been alleviated by the transfer of £452,000 from unrestricted funds and actuarial gains of £441,000, resulting in an overall end of year loss of £(269,656). The content of the Group Balance Sheet was summarised and tangible assets of £10.6million were reported, mainly from the School buildings. It was reported that the defined benefit pension scheme liability had reduced to £1.8million from £2million last year and it was stressed that this figure was out of the School's control. Total funds of £9.9million were reported. Governors queried some figures within the report and Tom York, the Business Manager and Chair gave further clarification.

10. Item 5.3 – Systems Report. The auditors' systems report on accounting and internal controls was reviewed, it was stated that the School had very strong controls overall. A couple of minor concerns relating to tendering processes and proof of competency for selected contractors had been reported and were explained to the meeting. Governors queried the comments made and discussed the level of reasonableness that could be expected from the School, Tom York agreed to make further investigations on the matter and come back with further guidance. It was stated that neither of the findings were a major concern and were of low risk. The Business Manager advised that the Zenergi, an energy procurement specialist, was an approved partner of the Institute of School Business Leadership and Tom York agreed to remove the finding relating to their use.

11. Item 5.2 – Management Letters. Tom York reported that four minor issues had been reported in the auditor's Management Letter but that following the discussions of the meeting at least two would be removed and the letter re-issued. The Letters of Representation for audit purposes and regularity were received and noted by the Committee.

12. Item 5.4 – CCHS Capital Development Ltd. The Annual Report and Financial Statements for CCHS Capital Development for the year ending 31st August 2018 were reviewed. Income from donations of £196,000 and expenditure of £227,000 were reported, resulting in a fund balance of £111,990 at the end of the financial year.

13. The Chair thanked Tom York and the team of auditors from Edmund Carr for their work on the audit. Senior Finance Officer, Fiona Gilmour, and the Finance team were also thanked for their hard work in the preparation of the accounts which were to their usual excellent standard.

8.30am – Tom York and Fiona Gilmour left the meeting.

14. A question was raised that although the School was a going concern for the foreseeable future, at what point would the School change its view to not being a going concern if there was no change in circumstances and in light of the amount of time it takes to see the results of any cost-saving actions. The meeting discussed the issue and noted that it was necessary to have a point when trigger points would dictate that non-viability was a possibility. It was stated that the viability of the School related to cash and being able to address its liabilities and carry on operating. It was stated that the School was relatively cash-rich but that reserves were slowly reducing. The Committee were advised that before any crisis point was reached, the ESFA would step in and put the school in special measures to address the issue. The meeting discussed the concept of being a going concern and the relevant statements within the company accounts which related to this issue. It was stated that the School was nowhere near the point of not being a going concern.

ITEM 6 – FINANCIAL REPORTS

15. Item 6.1 – Income and Expenditure Report. The 2018-19 year-to-date Income and Expenditure Report for Month 2 was received. The Business Manager reported that there were no significant

variances to report at this point in the financial year, although recruitment costs were higher than expected due to unplanned changes in the SLT. It was reported that utility figures may have been under-estimated and the Business Manager explained the reasons why and confirmed that the situation was being very closely monitored. Governors queried whether the School checked the energy consumption figures, it was confirmed that they do. The School's expenditure figures would be re-forecast in January once changes in staffing costs due to performance management increases were known. Some lettings income had been lost due to the recent swimming pool closure and the loss of one external hirer. It was also reported that some additional expenditure would be required for the replacement of the Science ramp and remedial work in the swimming pool.

16. Item 6.2 – Cash Flow Forecast Report. The Cashflow Forecast Report for November 2018 to August 2019 was received and noted.

ITEM 7 – DEFICIT REDUCTION STRATEGY

17. The Business Manager tabled an updated Budget Deficit Reduction paper dated 21st November 2018 and stated that figures had been revised in line with previous Governor discussions. Cost reduction ideas included: reducing KS5 subject offering; 'blocking' the Sixth Form timetable to increase efficiency; restricting KS5 students to 3 A levels; increasing teacher contact time, and reviewing the staffing structure, particularly the SLT. The meeting discussed the suggestions put forward along with their impact on the School, staffing and students. The concept of reducing the Sixth Form timetable from 5 to 4 blocks was explained by the Head and Governors questioned the effects on class sizes, student subject choices and staffing. It was suggested that a high-level estimate of cost savings could be in the region of £160,000. SLT had reviewed the Sixth Form subject offering and were proposing that subjects not taught at GCSE could be dropped ie Russian, Italian and Mandarin, and that some of the smaller subject groups eg Art, Latin and Music could be taught in combined Year 12 and Year 13 classes.

18. Three forecast scenarios were put forward and the assumptions behind each were explained. The scenarios were for:

1. Expansion to 6FE in Sep 20 which assumed a successful SSEF bid in order to build a sports hall and new teaching block.
2. 5FE with a full Sixth Form (320 students) by Sep 21.
3. 5FE with significant cost savings being introduced in Sep 19.

The increase in the employer's contribution rate to the Teachers' Pension Scheme from 16.48% to 24% in April 2019 was highlighted and two sets of figures were presented showing forecasts with and without the Teachers' Pension contribution increase. The Committee reviewed the figures presented and noted the large variations between the three scenarios. It was noted that Scenario 3 above resulted in a surplus of £28,847 by the year 2021-22. The Head stated that the information presented was the result of a lot of hard work by SLT and Governors commended the work undertaken and the positive information received. It was noted that there would be an effect on the teaching staff with larger classes or extra classes, and the resultant potential strain on teachers was noted by the Governors.

19. The Committee were surprised by the size of cost savings which seemed possible and were encouraged by the financial information being presented. It was confirmed that the forecasts had assumed conservative growth in Sixth Form numbers and Governors noted that the School still needed to address the reason why some students chose to leave after Year 11 and that a breadth of subjects in the Sixth Form was important.

9.05am – The Head left the meeting to attend Assembly.

20. The Business Manager advised that more refinement was required on the forecast figures and that an updated version of this data would be presented to the Management Committee on 7th December 2018 and to the Full GB in March 2019. Mark Rowell, Staff Governor, re-iterated the possible effects of the proposed changes on teaching staff which was noted by the Committee; the importance of Governors being told about any associated effects was also stressed. The Chair thanked SLT for their hard work and creative ideas which gave increased hope for the future.

21. The Clerk queried what paperwork was to be received by the Full GB at the Expansion EGM on Tuesday 27th November. The previous Governor request to provide information on the resultant financial effect of the 5FE expansion was raised and discussed, it was reported that too many changes had occurred within the School to be able to produce meaning figures.

ACTION

22. **Decision.** It was agreed that the paper received by the Management Committee in September with an updated financial forecast figures received today would be presented on 27th November.

S Hoefling

ITEM 8 – HEALTH & SAFETY

23. **Item 8.1 – Swimming Pool Update.** The Business Manager advised that the HSE had now signed off the recent swimming pool incident and no further action was required. About £4,000 of lettings income had been lost during the closure period. An independent swimming pool specialist had inspected the pool and their report had been received that morning. It was believed that up to £28,000 of potential remedial work may be required.

24. **Item 8.2 – Swimming Pool Procedures and Risk Assessment.** As a result of the incident, the School's Normal Operating Procedures and Emergency Action Plan, based on the model from Southend Health & Safety Advisory Service, had been reviewed and a few minor changes had been made. Governors queried whether the School needed to have verification of the competency of Southend's H&S Advisory Service.

25. **Decisions.**

- a. The swimming pool Normal Operating Procedures, Emergency Action Plan and Risk Assessment were approved as presented.
- b. The Business Manager agreed to get additional verification of Southend's H&S Advisory Service competency.

S Hoefling

26. **Item 8.3 – Fire Risk Assessment.** An external fire risk assessment had been carried out in 2015 and all recommendations had been implemented. A new fire risk assessment had been undertaken in October 2018, the full report had not yet been received but the draft Action Plan from the assessment was reviewed. The Business Manager and Site Manager were still to formally go through the risk assessment and their findings would be presented at the next meeting.

27. **Item 8.4 – Health & Safety Committee Minutes.** The minutes of the School Health & Safety Committee meeting held on 18th October 2018 were received and noted by Governors.

ITEM 9 – GENERAL DATA PROTECTION REGULATION

28. The Business Manager advised that the ECC online GDPR training course for School staff was now available and all staff were expected to complete it annually. Information on who had completed the course was available for review. An update of the GDPR audit action items would be presented at the next meeting.

ITEM 10 – BUSINESS CONTINUITY PLANNING

29. The Business Continuity Plan (BCP) was presented for annual review. Governors queried whether any disaster recovery testing was undertaken. It was confirmed that IT recovery was checked regularly as well as termly fire tests but many of the systems were impractical to test. The meeting discussed the difference between having procedures in place and actually doing dry-runs to test if they worked.

30. **Decisions.**

- a. The Business Continuity Plan was re-approved as presented.
- b. The Head agreed to discuss with SLT which items of the BCP could be practically checked.

Head

ITEM 11 – CAMPUS DEVELOPMENT

ACTION

31. The Business Manager reported that dry rot had been found in the Science Block ramp and was now deemed unsafe for use. An emergency evacuation staircase had been erected as a temporary measure. A structural engineering company had assessed the ramp and advised that it would need total replacement. The project was now out to tender and it was expected the old ramp would be demolished during the February 2019 Half Term and rebuilt in the Easter holiday. The cost of the new ramp was expected to be in the region of £30,000 – 40,000.

32. Following the suggestion at the last meeting that consideration should be given to changing the project managers for the School's capital development projects, meetings had been held with alternative companies and brief details were given. In light of the timescale and additional costs that would be incurred with a change of project manager, it had been decided to remain with PCH Ltd, the current project managers, for this year's CIF bid for the Sports Hall, if required. A second CIF bid was also being prepared for replacement windows around the Quad. A decision would be required from Governors in due course for whether to put in one CIF bid or both.

ITEM 12 – ANY OTHER BUSINESS

33. **Printer Contract - Decision**. The School printer contract was due for renewal in March 2019 and it was agreed that the Business Manager would email details to the Committee for approval later this term.

34. **Vote of Thanks**. This was the last meeting for Susan Hoefling, Business Manager, before she left the School at the end of the term and the Chair thanked her for her exceptional work over the past 5 years and wished her well in her new employment in London.

ITEM 13 – DATE OF NEXT MEETING

35. **Decision**. The date of the next meeting was agreed as 7.45am on Wednesday 6th March 2019.

All

The meeting closed at 9.55am.

Agreed as a true record.

R Vass, Chair

6th March 2019