

CHELMSFORD COUNTY HIGH SCHOOL FOR GIRLS

Minutes of a meeting of the FACILITIES & FINANCE COMMITTEE held at the School at 7.45am on Wednesday 26th June 2019

Present:	Richard Vass Nicole Chapman Steve Miles Duncan Stevens Mary Argent	Chair Head Chair of Governors Associate Member
In Attendance:	Stephen Lawlor Melissa Mulgrew Wendy Newton	Deputy Head (Curriculum) Business Manager Clerk to Governors
Apologies:	Richard Brown, Mark Rowell	

1. The Chair opened the meeting by welcoming Steve Miles to his first Facilities & Finance Committee meeting following a re-distribution of sub-committee membership.

ITEM 1 – APOLOGIES FOR ABSENCE

2. Apologies for absence were received and accepted from Richard Brown and Mark Rowell.

ITEM 2 - DECLARATION OF INTERESTS

3. 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

4. The minutes of the Facilities & Finance Committee meeting held on 1st May 2019 were approved as a true record.

ITEM 4 - MATTERS ARISING

5. Item 4, Para 4 – Business Continuity Plan - Decision. It was reported that a formal reciprocal sharing agreement had now been agreed with KEGS. A revised Business Continuity Plan and Lock Down Plan were received and approved with an annual review period.

6. Item 4, Para 5 – Deposit Account - Decision. Investigation into a higher rate deposit account with Metro Bank had been postponed following recently reported concerns about the bank. The Business Manager agreed to report further at the next meeting.

7. Item 4, Para 6 – Extra-Curricular Deficit. The extra-curricular rates for Music lessons for AY2019-20 had been raised slightly in line with Essex Music Services. The rates for extra-curricular Mandarin had been increased significantly from £100 to £300 for the next year and the breakeven point of 25 students was expected to be exceeded. These changes would address the deficit situation which had occurred with these classes this year.

8. Item 4, Para 7 – Dining Room Glazing. The meeting was advised that the internal windows of the Dining Room partition wall had not been part of the scope of the replacement project and the reasons for this were explained by the Business Manager. It was confirmed that the current glass was protected and would be non-shattering in the event of a fire.

8.15am – The Head joined the meeting.

9. Item 4, Para 8 – Risk Assessments. A new system of staff and student sign in/sign out had now been put in place for all post-school events within the School.

ACTION

M Mulgrew

10. Item 4, Para 11 – Safety Barriers - Decision. Contact with ECC had not been undertaken as previous requests to the Council had not led to any action. The Committee agreed that letters to ECC requesting additional pedestrian safety barriers and a box junction on Broomfield Road should continue annually by the School until action is taken. (Clerk's Note: Letter sent 27/06/19).

ACTION

Head

11. Item 4, Para 16 – Swimming Pool Viability - Decision. The issue of swimming pool viability had been delayed as quotes were still awaited. Various options were being considered from refurbishment at £400,000 to a new build at £750,000. Any proposal would now be considered separately from the SSEF project and a bid for financial assistance would be sent to Sport England once a final plan had been agreed. Governors were advised that although the swimming pool was very energy inefficient it was still safe to use. The Business Manager agreed to present the swimming pool viability options at the next meeting.

M Mulgrew

12. Item 10, Para 26 – IT. Confirmation of lease status and the final approval for the server upgrade had been made by email following the last meeting.

13. Item 9, Para 24 – Lettings Policy Amendment - Decision. Further to the approval of the Lettings Policy at the last meeting, to additional administrative amendments were requested by the Business Manager. The addition of 'no dogs on site without prior approval' and the increase of excessive cleaning charges from £75 to £100 were agreed.

ITEM 5 – FINANCIAL REPORTS

14. Item 5.1 – Income and Expenditure Report. The 2018-19 year-to-date Income and Expenditure Report for Month 9 (to 31st May 2019) was received and discussed. The latest end of year outturn figure had improved following receipt of the Teachers Pay Grant, a refund £18,000 on contributions towards the Head's pension, additional expenditure savings and the removal of £30,000 (of £40,000) from the contingency as it was now unlikely to be needed at this stage in the financial year. The effect of the increase in School contributions to Teachers' Pensions was debated in relation to future years. Governors queried some figures within the report and noted the better than expected financial position. The Business Manager advised of an increase of over £15,000 on the previously budgeted annual expenditure figure for utilities. The effects of LED lighting, use of air conditioning, window replacement and the removal of Bancroft were discussed. It was reported that the School now had an ECO Committee and that students were being made more aware of energy issues such a turning off lights when leaving classrooms. The Committee noted the tight expenditure monitoring undertaken and commended the School on the improved financial situation.

15. Item 5.2 – Cash Flow Forecast Report. The Cashflow Forecast Report for June to August 2019 was received and noted.

ITEM 6 – SCHOOL BUDGET 2019-20

16. The proposed School Budget 2019-20 was presented and the Business Manager summarised the assumptions on which it was based. It was reported that the ESFA had indicated that a top-up scheme for the Teachers Pension Grant was to be made available but no details had yet been received, if available it could produce an additional £30,000 income next year. Unrestricted income had been based on income received in previous years but it was recognised that the SSEF building project may have an effect on lettings income for a short period of time. Budget expenditure had assumed a 2% cost of living increase for staffing costs plus general inflationary increases for other expenditure items. A small overall In Year surplus of £8,000 was predicted at this stage, this would be the first time for a number of years. The Key Performance Indicators were reviewed and the 78% of Total Staff Costs against Total Income noted. There was a general discussion on DfE funding and how it did not cover basic School costs. The issue of parental contribution was also discussed. The meeting was advised of a possible Government plan for schools to receive 3-year financial information in the future in order to assist with financial planning. The achievement of the School to produce a positive budget was noted and congratulated by the Committee.

17. Decision. The School Budget Plan for 2019-20 was approved for recommendation to the Full GB on 12th July 2019.

Clerk

ITEM 7 – DEFICIT REDUCTION STRATEGY

ACTION

18. The Business Manager presented a summary of budget reduction strategies which had previously been proposed to Governors between May 2018 and June 2019. The meeting was informed whether they had been implemented and were given reasons for those which had not. Governors noted that some of the document figures did not match with information received in previous meetings and were advised that some background figures had been reviewed and that the Committee was now being presented with more realistic figures. Future lettings income had been reduced in light of the possible effect of the SSEF project. KS5 subjects had been reviewed and those with small take-up had been stopped (Mandarin and Russian). KS5 subject block-teaching had not been possible due to timetable restrictions, however KS5 group sizes had been increased allowing for fewer teaching groups. The School had decided that restricting KS5 students to 3 A levels was too risky in relation to student retention and also inconsistent with other grammar schools. Governors noted that KS5 savings were now only the equivalent of one NQT (c£33,000) plus SLT restructure (NCH retirement – figures provided to Governors previously) rather than £200,000 as previously advised, the educational reasons for not progressing with the previous KS5 proposals were explained by SLT and discussed by the Committee. The meeting discussed the information presented at length and additional explanation was given by SLT when questioned by Governors. The meeting was informed that accurate information on Sixth Form costs was difficult until the final Year 12 numbers were known. Governors stressed the need to keep Sixth Form numbers under close review but acknowledged that it was difficult for the School to assess.

19. Increasing contact time for teaching staff had been put forward to staff at a recent JCC meeting and had raised concerns about well-being and staff workload. It was stated that increasing teacher contact time from 42 to 43 hours per fortnight would only save the School the equivalent of one teacher (£33,000) for a couple of academic years. Governors challenged the logic behind the decision in light of the effect on the deficit and the issue was discussed. It was stated that 42 teaching hours was standard across grammar schools. Governors also noted that some teachers only taught Sixth Form subjects and with larger groups would be teaching less, the School advised that these teachers would be redeployed to teach in the Lower School. The increase in Year 10 by 10 extra students was to continue until September 2022, when that cohort would already be 160, and would now need to be formally included in the School's Admissions Policy. As a result of having more students in the Lower School, increased numbers were now expected in the Sixth Form with 165 students in September 2020 and 170 in 2021. The detrimental effect of having lagged funding for student income was noted.

20. An indicative 4-year forecast of the financial impact was received for the savings of each of the budget deficit strategies if all were introduced. The meeting queried the figures presented and some differences from previous figures were explained. As a maximum potential based on a budget snapshot in June ie not finalised figures, an In Year deficit of £(88,083) was expected at the end of the current financial year (2018-19) and a possible surplus of £22,189 at the end of 2019-20, all years included the usual School contingency figure of £40,000.

9.25am – The Head and Deputy Head left the meeting to greet the new Year 7 students.

ITEM 8 – INTERNAL CONTROLS EVALUATION

21. The EES Internal Controls Evaluation (ICE) Reports 2 & 3 for visits undertaken on 26th March and 14th May 2019 were received for information and reviewed. The thoroughness of the reports was commended and the few minor procedural issues identified were noted. The Business Manager explained the findings and confirmed the corrective action already taken by the School.

22. The meeting was advised that EES had suggested that, in light of the ongoing strength of the School's financial procedures, the EES ICE scope of work could be reduced to two visits next year with a financial saving to the School of £330 and the suggestion was discussed.

23. **Decision.** It was agreed that the EES ICE visits would reduce to two visits for AY2019-20.

ITEM 9 – GENERAL DATA PROTECTION REGULATION (GDPR)

ACTION

24. The Business Manager gave an update of GDPR progress within the School with regular updates for current staff. New staff for September 2019 were to receive training the following day and an ECC GDPR audit was to take place on 10th July. It was believed that significant progress had been made since the last ECC audit but that there was still work to do before the School would be fully compliant. It was confirmed to Governors that there had been five Freedom of Information requests this academic year and three minor internal breaches, all of which had been investigated and recorded by the School, none of which had required external ICO notification.

9.40am – The Head and Deputy Head re-joined the meeting.

ITEM 10 – SSEF PROJECT & CAMPUS DEVELOPMENT

25. The Chair reminded the Committee that the GB had previously had a separate Premises Committee and was under the understanding that a separate sub-committee could be formed if it was ever deemed necessary for future capital development projects. It was suggested that there was now possibly a need for a separate group to oversee the SSEF project in light of the size and complexity of the project and in order to ensure the correct level of Governor scrutiny in addition to giving additional support to the School. The meeting debated the need for an SSEF sub-group and Governors stated that there was a need for the rest of the GB to understand what was being done and to know that the correct financial scrutiny was being undertaken. The expected level of Governor scrutiny was queried and discussed.

26. **Decision.** The Head agreed to re-send the Committee the SSEF documentation which outlined the terms and conditions of the grant and the reporting requirements.

Head

27. It was stressed that Governors had to ensure that all the required financial procedures relating to the SSEF grant were in place and it was noted that the financial risks of the project lay with Governors, hence the need to ensure that all risks were identified. With the departure of Peter Cook, capital development expertise within the current GB was now deemed to be lacking and that over-reliance on a project manager could be a major risk. The current rapid rate of progress of the SSEF project without full understanding of the background risks was raised as a concern. It was stated that the current project managers had shown commitment to the School through their work on earlier projects, and the various interactions between the School and the project management company were explained. Governors queried the levels of authorisation and decision-making systems and stated that the GB needed to clearly know how the project was being managed. The essential need to minimise any possible financial risks to the School was stressed.

28. The history of the current project management company (PCH) with the School was summarised and discussed. It was confirmed that other project management companies had been considered for the project. Governors queried the content of the PCH contract and the expectations set within it. The Business Manager confirmed that the current PCH contract was for the enabling work and up until the planning stage and the appointment of the build contractor. Governor concern was raised about the process which had led to the current appointment of PCH, and the related tender documentation and value for money comparisons were requested to be seen by Governors for clarity, as was required by their governance duties.

10.10 – The Head and Deputy Head left the meeting to attend Staff Briefing.

29. The meeting discussed the varying content of contracts and the risks within them. It was stated that Governors needed to have the right processes and have a clear oversight of the project particularly in light of SLT changes and to ensure the School was being supported correctly. It was re-iterated that there was a need to have evidence that due diligence was undertaken in relation to the current PCH contract, and that there was a need to ensure that all future project management contracts had precise details of where responsibilities for risks lay. The meeting noted that there was no contractual obligation to retain PCH for the second stage of the SSEF project.

30. **Decisions.**

- a. The Business Manager agreed to send the current project management tender documentation and PCH contract to the Committee for information.
- b. It was agreed that the School would undertake a tender process for both the SSEF design and build contractor and also for a project manager to act on behalf of the School for the period of the building project post planning permission.

31. The Business Manager presented the SSEF project plan and summarised the content of the timeline. The content of the enabling work contract was questioned in relation to the risks for the School and whether PCH had reviewed the contract which had been described as a standard legal contract.

10.35 – The Head re-joined the meeting.

10.38 – The Deputy Head re-joined the meeting.

32. The content of the building contract's employer requirements was debated and it was agreed that they would need detailed review by the School or a suitably qualified professional. The Head suggested that there may be a parent within the School community who may be willing to assist by acting as an advisor on the School's behalf. The building planning permission request was due to be sent that week and could take up to three months to be granted. The design and build contract was due to be agreed by October 2019 with building work starting in early February 2020 and lasting 18 months in time for School use by September 2021. Governors asked if the cost of any project delay had been assessed if the project were not to be completed on time. It was stated that temporary classrooms would be needed, the cost for which would have to be covered in the employer requirements of the building contract via a penalty clause.

33. A breakdown of the SSEF budget income and expenditure to date and forecast was reviewed and variances explained by the Business Manager. The actual level of School financial contribution was queried as it had not been included in the information received but had been clearly listed in the SSEF bid and approved at £200,000. The meeting discussed the financial information received and further clarification was given by the Business Manager, it was noted that actual costs would replace the current estimates once known. An SSEF project dashboard was presented which summarised the state of the project, highlighting the achievements to date, milestones and new risks identified. It was reported that, as a result of adjacent demolition work, some protection work would be required on the swimming pool building which would be undertaken during the summer. It was stressed that any further deterioration of the swimming pool building occurring as a result of the build project needed to be indemnified within the employer requirements. A couple of scope changes to the enabling work contract had been raised at the School's request and were explained to the Committee. The Chair commended the extensive work of the Business Manager to date and stressed the need for support from Governors.

34. Copies of the design and build contract pre-qualification questionnaire and the MLM, (the mechanical & electrical (M&E) advisors working on the School's behalf) scope of services contract were received for information and discussed by the Committee. The MLM contract had previously been novated by PCH and now required the School to sign the novation for the next stage of their work. The Business Manager explained the work of MLM and how they had been associated with the project to date. Governors queried the past work of MLM, how they had been paid for earlier work and what was expected from the School financially in the future. Governors noted that the request being put forward was actually for retrospective approval which was not acceptable from an audit point of view and requested the School backtrack and provide full details of the initial agreement with MLM. Concerns were raised about the methods followed in relation to the engagement of MLM as there was confusion as to which part of the M&E work related to which part of the project.

35. The Committee stressed that the School could be exposed financially to variations of contracts if very clear expectations were not included in all future contracts and employer requirements. It was stated that a large amount of financial decision-making had been passed to PCH over which the School now seemed to have little control. The Head advised that the concerns raised by Governors would be taken back to PCH for response. The Chair noted that there was still time to

cease involvement with PCH, if necessary, after August 2019, and stated that the discussions of the meeting had reinforced the need to have a small sub-group, reporting to the Facilities & Finance Committee, to oversee the project and help support the School during the SSEF project.

ACTION

36. **Decisions.**

- a. The Head agreed to canvas the parent body for a parent with suitable project management experience to assist the School with the SSEF project.
- b. It was agreed that the SSEF project group would consist of: the Head, Business Manager, the project management company in place after August, and possibly a parent volunteer, if one was found, or a member of the Governing Body.
- c. The Business Manager agreed to re-send the information on the School's financial contribution to the SSEF project to the Committee by email along with a revised SSEF budget report.
- d. The Business Manager agreed to pull out the original tender work figures for the M&E enabling work contract and advise the Committee of her findings.

Head

All

M Mulgrew

M Mulgrew

ITEM 11 – REVIEW OF PREMISES PROJECTS

37. The Committee received a report of in house projects undertaken by the Site Team since the last meeting in May 2019. The incredible amount of additional work undertaken by the Site Team as a result of the SSEF project was noted and highly commended. It was recognised that the Site Team had saved the School a significant amount of money by undertaking work themselves rather than using contractors. The Business Manager was asked to feedback the gratitude of the Governors to the Site Manager and his team, recognising their continued support over the next phases.

ITEM 12 – RISK REGISTER

38. The Business Manager presented a new SSEF-related section of the Risk Register for the Committee's consideration and it was noted that some additional risks may now need to be added in light of the discussions of this meeting.

39. **Decision.** It was agreed that Committee members would pass any comments or additions for the SSEF risk register to the Business Manager. The collated document would be presented for formal approval at the next meeting.

All

M Mulgrew

ITEM 13 – ANY OTHER BUSINESS

40. **Insurance.** The Business Manager advised that the School's insurance was due for renewal in the near future. Quotes were still awaited and would be sent out for Governor approval by email in the next few days. (**Clerk's note:** Quotes circulated 26th June & Committee approved to continue with ECC framework.)

ITEM 14 – DATE OF NEXT MEETING

41. **Decision.** The date of the next meeting was agreed as 7.45am on Wednesday 2nd October 2019.

All

43. As it was the last Facilities & Finance Committee meeting the Head would attend prior to her retirement at the end of the term, the Chair thanked the Head for her input at the meetings and for all the significant work she had done for the School during the past 12 years.

44. The meeting closed at 11.25am.

Agreed as a true record.

R Vass, Chair

2nd October 2019