



MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Wednesday 29th June 2022 at 6 pm.

Present:

Paul Collyer (Chair)
Dan Dean (Principal)
Jane Duscherer
Declan Mason
Kate Parsons

Stephanie Wiles (Advising Officer)
Ken Kehoe (Clerk)

The Chair thanked the Director of Finance and Estates for the tour of the Estate that took place before the start of the meeting. He commended the Director and the Estates Team for the condition of the Estate and the development work that had taken place.

1. REGISTER OF INTERESTS

There were no declarations of interests from Trustees.

2. APOLOGIES FOR ABSENCE

Apologies were received and accepted from Mark Nelligan and Fran Stewart.

3. MINUTES OF THE LAST MEETING

The minutes of the previous meeting of 9th March 2022 were approved as an accurate record.

4. MATTERS ARISING

There was an action arising from the last meeting:

F&E2-001 The Director to circulate the extract from the Academies Trust Handbook, regarding possible clawback of funds. **Done. The Director circulated paragraph 5.29 of the Handbook to the committee by email the day after the meeting.**

5. FINANCE AND BUDGET REPORT TO 30.04.22 AND 31.05.22, COMMENTARY AND 24-MONTH CASHFLOW FORECAST

The Director of Finance and Estates introduced the management accounts and the forecast outturn. She made the following points:

- The College was on target to achieve a 9% surplus.
- Lettings income was £56k above budget, and £16k above the forecast. There was a core of 5 or 6 regular customers for the 3G pitch.
- The Lettings Manager had resigned and there had been only one applicant for the role. The recruitment of support staff may be difficult next year.
- The College had received a £31k grant to cover the increased costs of the National Insurance contributions; this grant was not available to 6th Form Colleges that were not Academies.
- Regarding salaries, expenditure on teachers' pay was under budget but expenditure on support staff salaries was over budget, but together total salary expenditure was in line with the budget.
- Exam expenditure was some £92k below forecast but this was a phasing issue as the College was awaiting the main invoice from the AQA exam board.
- Estates expenditure was above forecast and the Director was monitoring closely. Electricity bills continued to be higher than usual. Costs associated with the planned four additional portakabin classrooms have been allowed for in the forecast.

The Chair noted that the expenditure on Portakabins had been approved by the Committee, by email, on 23rd May 2022.

The Director of Finance and Estates updated the Committee on the cleaning contract, noting that the current staff would TUPE over to the new provider.

The Director of Finance and Estates sought the Committee's guidance on the £1m of funds that the College had on deposit until the end of July. The Committee agreed that:

- The Director should seek quotes for 6-month deposits, not year deposits, to allow for future interest rate rises; and that
- The Director should seek to spread the funds across two banks, if possible, with £500,000 with Lloyds at the lower rate, and £1m with NatWest at the more beneficial rate.

Action: The Director should seek quotes to put £500,000 of the funds maturing at the end of July, on deposit for 6-month, rather than a year, with Lloyds and £1m with NatWest and that the Director should seek to spread the funds across two banks, if possible.

The Committee approved the April and May 2022 Management Accounts and cash flow projections.

6. PROVISIONAL BUDGET 2022-23 AND FINANCIAL PLAN INCLUDING COMMENTARY AND 24-MONTH CASHFLOW FORECAST

The Director of Finance and Estates introduced the draft budget, noting that the position looked healthy next year and the following two years. The Director briefed the Committee on the key assumptions underlying budget:

- 5% uplift had been applied to standard costs unless the Director had information on actual costs;
- 4% per annum had been applied to salaries, plus allowance for movement up pay scales;
- 2% uplift had been applied to General Annual Grant (GAG) funding;
- The 2022/23 Budget was based on 2090 students, while the 2023/24 projection was based on 2030 students.

In discussion, Trustees noted that:

- There would be a notional loss in 2023/24, after depreciation. The Director advised that the projected Capital Expenditure figure provided a better reflection of the position of the College;
- On EBITDA, there was a projected £1m surplus next year and still a significant surplus at the end of the projection period. This highlighted the College's scope for investment.

The Principal advised that the focus of investment next year should be teaching and learning and staffing, with Heads of Department given an extra period of remission, and consultation with staff regarding changes to the timetable.

The Committee recommended the revenue and capital budgets, the financial plan and the cashflow projections to the Board for approval.

7. UPDATE ON PROPERTY STRATEGY AND ROOF SURVEY REPORT

The Director of Finance and Estates updated the Committee on the current property works: the Dance Studio had been completed and was in use; the Student Support Building would be finished by 29th July, within the increased budget that the Committee had approved. She confirmed that the surrounding area would be restored.

The Director advised that, following the successful planning application, the temporary Portakabins would be handed over to the College by 10th August. Regular refurbishment and maintenance would take place over the summer, including resurfacing the front drive.

Following the roof survey, £159k had been budgeted for immediate repairs. Further work will be needed and this will need to be incorporated into the Estate's Strategy. The Director planned to tender for the immediate repair work on the Theatre roof and G Block roof; she would also submit a Condition Improvement Fund bid. The roof of B Block would need to be repaired within 5 years.

8. HEALTH AND SAFETY REPORT

The Director of Finance and Estates informed the Committee that there had been 15 accidents this Academic Year; none had required notification to the HSE. Normal maintenance and servicing activity continues.

Trustees asked:

When did the College check its trees? The Director explained that these were checked regularly and that going forward the College only selected medium height trees for replacing on the site

Were any areas of the site not accessible to wheelchair users? The Director informed the committee that the only area without access was the 2nd floor of B-block but that the College had a portable ramp that could be used to allow access.

The Committee thanked the Director for her briefing.

9. ENVIRONMENTAL SUSTAINABILITY GROUP

The Director of Finance and Estates briefed the committee that the College's two car charging points had been installed and were working. In response to questions, the Director explained that users of the car charging points were charged for the electricity used.

The Director advised that she would bring a Sustainability Strategy to the Committee's November meeting. A key focus was to reduce energy use and costs, using solar panels and through the replacement of gas boilers with ground source heat pumps.

The Committee welcomed the Director's briefing.

10. ANY OTHER BUSINESS

There was no other business.

11. DATE OF NEXT MEETING

The date of the next meeting was to be confirmed at the following Board meeting.

*The meeting closed at 7.10pm.
Attendance was 71 %.*

Signed.....

Date.....

SUMMARY OF ACTIONS

F&E3-001	The Director should seek quotes to put £500,000 of the funds maturing at the end of July, on deposit for 6-month, rather than a year, with Lloyds and £1m with NatWest and that the Director should seek to spread the funds across two banks, if possible.
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SUMMARY OF GOVERNOR CHALLENGE [C] / SUPPORT [S]

C/S	Minute	Topic
C	6	<p>Provisional Budget 2022-23 and financial plan including commentary and 24-month cashflow forecast</p> <p>The Trustees scrutinised the detailed assumptions and projections underlying the provisional Budget, financial plan and the cashflow projections.</p>