



## MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held At Esher College  
Tuesday 14<sup>th</sup> March 2019, at 6.00 pm.

### Present:

Robin John (Chair)  
Dan Dean  
Ian Leigh

Hannah McKean  
Fran Stewart

Stephanie Wiles (Director of Finance & Estates)  
Kerry Webb (Clerk)

### 1. REGISTER OF INTERESTS

There was nothing to declare.

### 2. APOLOGIES FOR ABSENCE

Apologies were received from Tim Oliver, Adrian Mills and Simon D'Arcy.

### 3. MINUTES OF THE LAST MEETING

The minutes of the Special meeting of Thursday 10<sup>th</sup> January 2019 were agreed and signed.

### 4. MATTERS ARISING

#### Minutes of the Special Finance and Estates Committee – 10<sup>th</sup> January 2019

**FE Special-01:** Complete, information provided to Special Corporation meeting.

#### Minutes of the Finance and Estates Committee – 20<sup>th</sup> November 2018

**FE1-001:** The Director of Finance and Estates is currently in the process of finalising the pre-application for the canteen extension with classrooms. Once this is complete and the outcome of the CIF bid is known, she will contact Fran Stewart and Simon D'Arcy to fully understand the questions that should be asked of Loxton & Associates to determine the next steps.

**FE1:002:** Complete, £500k has been invested with Metrobank into a 95 days' notice account.

**FE1:003:** Complete, provided to the Corporation

FE1:004: Complete.

## 5. FINANCE AND BUDGET REPORT 01.08.18 – 31.01.19, INCLUDING A REVIEW OF 2018-19 CAPITAL BUDGET

### 5.1 Budget Report

The Director of Finance and Estates gave a verbal report on the first six months of the year.

#### Income

- Income is on target to meet year end budgeted levels.
- Adult Education income is currently below budget, which is due to the phasing of the budget.
- The highlight so far has been £124k increased income for “little extras”, which must be spent on capital items.
- Interest income is higher than budget, due to interest rates on savings being higher than expected.

#### Expenditure

- Expenditure is on target to meet year end budgeted levels.
- The national pay scale increase has still not been announced and therefore this is not included within the expenditure costs, although it is budgeted for.
- Recruitment is ongoing for two positions, therefore although the cost of employment in these two positions has been included in the budget, the cost has not been incurred.

The Director of Finance and Estates concluded that the College is on track to achieve at least a “Good” financial rating at year-end. She noted however, that once the College has converted to an academy it will no longer be a requirement to achieve a “Good” financial rating, although it would be good practice to continue to monitor this key indicator.

Q. Included within the financial forecast figures is “academisation costs of £10k”. What does this entail? Does it include re-branding costs? This figure budgets for anticipated legal fees and changing the finance system. It does not include rebranding, which it is anticipated could be financed by the year-end surplus, whilst ensuring the “Good” financial rating is still achieved.

Q. What will be included within the re-branding? The signage around the College, particularly signposting, needs revisiting, it therefore makes sense to do this at the same time as re-branding. The Principal has had an initial meeting with designers to look at options. The signs would be changed to read “Esher Sixth Form College” and whilst it will retain its ethos, will be modernised to move away from outdated typefaces. The Principal will receive costings and it may be decided to phase in the introduction. The Prospectus will continue in its current format for next year, but we would then look to introduce the new branding for the following year onwards.

The Governors approved the Finance and Budget Report and the updated Capital Budget 01.08.18 – 31.01.19

## 6. 24-MONTH CASHFLOW REPORT

The Director of Finance and Estates noted that the income receipts for the general fund did not match management accounts income. This is due to some of the receipts coming in before the academic year. Expenditure cashflow on salaries is budgeted to increase for April, anticipating this is when the pay increase will come through, although the date is not yet confirmed.

The actual cashflow for January 2019 is higher than the budgeted cashflow, due to increased trip receipts and receipts of 'little extras', although the Director of Finance and Estates noted that this should be checked to ensure increased trip payments are matched.

The Director of Finance and Estates confirmed that she would review rates of deposit accounts to ensure, where possible, competitive interest rates are earned on savings.

The Governors approved the 24-Month Cashflow Report.

## **7. UPDATE ON PROPERTY STRATEGY, CAPITAL SPEND INCLUDING CIF 2018/19**

### **7.1 Land**

The Director of Finance and Estates has had an initial discussion with the College lawyers regarding the feasibility of annexing some of the College land to a subsidiary prior to academisation.

The lawyers' understanding is that the critical factor in determining whether approval may be needed from the Secretary of State is whether a sale is deemed to be novel or contentious. There was agreement that any potential future sale of land with the intention of proceeds being reinvested into the College was unlikely to fall within that category whereas annexing of the land prior to academisation in order to avoid the need to seek approval could be deemed as novel and contentious. The Director of Finance and Estates further reported that the lawyers had confirmed that they had not come across any examples of academies selling land being refused permission from the Secretary of State.

The Governors agreed that considering the above, there did not appear to be any pressing need at this time to further consider any sale of College land.

### **7.2 Capital Projects**

- **Performance/Dance/Drama Space**

The Director of Finance and Estates reported that as previously discussed during meetings, the College needs more performance/dance/drama space. Although in the property strategy, this proposed project does not sit within the current CIF priorities; therefore, funding is unlikely in the medium term. Alternative options for creating this space, have therefore been investigated and a glazed structure of approximately 191 square metres in the courtyard, suitable for all-year use, would be feasible. This area would not be suitable for other more traditional building works, particularly a building of two storeys due to access restrictions. Ideally the work would be carried out during the Summer holidays.

The Director of Finance and Estates explained the difficulties she had encountered tendering for the project. Streetspace, the market leader for such structures has given an estimate cost of £380k to £450k for the works. She has identified and spoken with two other potential suppliers. The first had indicated that they could not be as competitive as Streetspace and the second confirmed that the buildings they could install would not be suitable for all-year use. The Director of Finance and Estates confirmed that she had sought a reference from a school that had used Streetspace, who confirmed they were very happy with their building. It exceeded their expectations and was a lower cost than they had anticipated, albeit the project timescale ran a little over. Given this background, the Director of Finance and Estates asked the Governors whether they would support proceeding with Streetspace considering the difficulties encountered in the tendering process.

Q. What impact will the structure have on surrounding buildings? The immediate buildings are solid wall next to the proposed structure. Other buildings are sufficiently sited away not to be impacted. There is a tree that will need to be removed, but it is not protected.

Q. What is the roof made of? Insulated steel roof panels.

Q. Is it fit for the required purpose, being floor to ceiling glazing? It will be partitioned; therefore, careful consideration needs to be given to natural light and options to ensure lighting is sufficient. The Governors asked the Director of Finance and Estates to obtain some information on the estimated running costs of the structure, and details on specification, e.g. whether the glazing is anti-glare, toughened and reinforced glass.

It was agreed that the Principal and Director of Finance and Estates would send an email to all staff updating on the property strategy at the request of this meeting and would include details of this proposed structure.

The Governors advised the Director of Finance and Estates to contact the planning department for pre-application planning advice. Given that the proposed structure is enclosed within the curtilage of the College, is hidden from view and of limited size, it may meet the requirements of a “de minimis” structure and as such may not require planning permission or may fall within 8-week delegated permissions.

The Governors asked that the Director of Finance and Estates ensure the paper trail is in place supporting the tendering process efforts. The Governors appreciate the difficulty in securing alternative quotes given the bespoke nature of the structure and the difficulty finding companies who provide a comparable service. It was recommended that the Director of Finance and Estates contact Eco Classrooms, a company that may be able to provide a quotation for the work.

The Governors, appreciated the tight timeframe for approving the work for it to be undertaken in the summer. They also appreciated that this project was only now being looked at because it was possible following receipt of an extra £124k capital funding. The Governors requested, that going forward, where possible greater notice be given regarding projects for approval, even if this is by email prior to meetings.

**ACTION: Principal and Director of Finance and Estates** to send an email to all staff updating on the property strategy at the request of this meeting and would include details of this proposed structure.

**ACTION: Director of Finance and Estates** to find out information requested by Governors and send an email to Governors detailing the final route chosen.

- **Fire Alarm replacement**

The Director of Finance and Estates confirmed that it is proposed this work proceed, subject to the CIF bid application that has been made being successful.

She has obtained three quotes, with a range £18k to £240k plus VAT, although it was considered that the lowest quote had misunderstood the specification. The difference between the highest and second highest quote was £59k plus VAT. The Director of Finance and Estates confirmed that she would like to proceed with the incumbent, which was the highest quote. They know the fire alarm system well and they also manage the intruder alarm. If the CIF bid is successful, the work would ideally commence in May.

The Governors confirmed that they would like another quote to be sought, if possible. A contractor, Dacall Electrics was recommended. It was agreed that the Director of Finance and Estates would confer with Governors by email to move forward if the CIF bid is successful, to enable work to commence in May.

**ACTION:** Director of Finance and Estates to seek another quote for fire alarm replacement and confer with Governors by email for final approval.

- **Netball/Tennis Courts Refurbishment**

This proposed spend was approved.

- **Acoustic Panels for Sports Hall**

This proposed spend was approved.

- **Bike Shelters**

This proposed spend was approved, subject to a successful CIL bid application.

- **Music Studio – move from PC to Apple Macs**

The Director of Finance and Estates explained that the requirements had been revisited by the IT and Music Departments and the proposed costs increased by 50%, reflecting additional equipment required. It was confirmed that the costs included five-year licenses for the Apple Macs. It was confirmed that allocating this spend to the Music Department does not impact on the spend available to other Departments. Approved.

- **Capital spend to date and Committed Spend**

This spend had previously been agreed.

The Governors thanked the Director of Finances and Estates for her hard work and efforts working on these projects and preparing funding applications.

*The Director of Finance and Estates left the meeting at 7pm.*

## 8. HEALTH AND SAFETY REPORT

The Principal reported that the recent gas leak had resulted in the College being shut for two days. A full survey of the gas pipes is being undertaken and these will be shown on CAD drawings. The College is also looking to install shut off valves to enable areas to be isolated. The Principal wished to commend the Director of Finance and Estates, and the electricians for identifying the leak and working hard to minimise the number of days the College was closed.

## 9. FINANCIAL STRATEGY GROUP – TERMS OF REFERENCE

The Terms of Reference had been updated to reflect the replacement of the Finance Committee by the Finance and Estates Committee.

The Governors agreed that the following changes should be made:

- Item 1: Change wording to “The Corporation delegates to the Group the responsibility to investigate and advise on possible actions to manage the impact of potential reductions in Income and/or increases in cost. The Group will make recommendations through the Finance and Estates Committee.
- Item 5: Change first sentence to “The Group will normally meet once a term, or more frequently as required”.
- Item 7: Change sentence to “To consider proposals on alternative financial strategies.
- Items 8 – 10: Delete.

The Committee approved the Terms of Reference for the Financial Strategy Group.

The Governors agreed a meeting of the Financial Strategy Group should be convened. This will take place before the next Corporation meeting.

**ACTION:** Chair of the Finance and Estates Committee to liaise with the Deputy Clerk to prepare an agenda for the Financial Strategy Group meeting.

**ACTION:** Clerk to liaise with the Deputy Clerk to make amendments to the Financial Strategy Group Terms of Reference.

**10. MINUTES OF THE ENVIRONMENTAL SUSTAINABILITY GROUP MEETING 14<sup>TH</sup> FEBRUARY 2019**

It was noted that the Director of Finance and Estates had reported during this meeting that the group were continuing to raise awareness of “Green Week”, including a focus on using reusable materials in the College.

It was agreed that opportunities related to installing electric car charging should continue to be monitored.

**11. TERMS OF REFERENCE – ENVIRONMENTAL SUSTAINABILITY LINK GOVERNOR**

The Committee approved the Terms of Reference for the Environmental Sustainability Link Governor.

**12. AOB**

There was none.

**13. DATE OF THE NEXT MEETING – Thursday 20<sup>th</sup> June 2019 at 6pm.**

*The meeting closed at 7.40 pm.*

*Attendance was 71.4% (5 out of 7 members)*

Signed.....

Date.....

**SUMMARY OF ACTIONS**

<b>FE2-001</b>	<u>Item 7.2 Update on Property Strategy – Capital Spend</u> : <b>Principal and Director of Finance and Estates</b> to send an email to all staff updating on the property strategy at the request of this meeting and would include details of this proposed glass structure.
<b>FE2-002</b>	<u>Item 7.2 Update on Property Strategy – Capital Spend</u> : <b>Director of Finance and Estates</b> to find out information requested by Governors and send an email to Governors detailing the final route chosen.
<b>FE2-003</b>	<u>Item 7.2 Update on Property Strategy – Capital Spend</u> : <b>Director of Finance and Estates</b> to seek another quote for fire alarm replacement and confer with Governors by email for final approval.
<b>FE2-004</b>	<u>Item 9 Financial Strategy Group</u> : <b>Chair of the Finance and Estates Committee</b> to liaise with the Deputy Clerk to prepare an agenda for the Financial Strategy Group meeting.
<b>FE2-005</b>	<u>Item 9 Financial Strategy Group</u> : <b>Clerk</b> to liaise with the Deputy Clerk to make amendments to the Financial Strategy Group Terms of Reference.

**SUMMARY OF GOVERNOR CHALLENGE [C] /SUPPORT [S]**

<b>C/S</b>	<b>Item</b>	<b>Topic</b>
C	5	<u>Report on Budget and Capital Budget</u> - Governors asked questions to further understand what was included within financial figures, e.g. what was included within the re-branding budget.
C	6	<u>Review of Cashflow Report</u> – The Governors asked pertinent questions to understand the cashflow report, including relating to trip income and expenditure.
C&S	7	<u>Update on Property Strategy</u> – The Governors provided useful advice regarding planning, consultants and specifications to assist the Director of Finance and Estates with various projects. Governors commended the Director of Finance and Estates on her hard work on a number of different projects and for preparing funding applications.
C&S	9	<u>Financial Strategy Group</u> - Governors gave careful consideration as to what should be included within the Terms of Reference to ensure the effective working of the group. Governors were keen to convene a meeting of the Financial Strategy Group to further support the College.