



MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held At Esher College
Wednesday, 15th November 2017, at 6.00 pm.

Present:

Robin John (Chair)	Damian O'Malley
Dan Dean	Tim Oliver
Ian Leigh	Fran Stewart
Adrian Mills	

Stephanie Wiles (Director of Finance & Estates)
Rebecca De'Ath (Clerk)

1. BUSINESS INTERESTS IN AGENDA ITEMS

There was nothing to declare.

2. APOLOGIES FOR ABSENCE

Apologies were received and accepted from Jo Gardner.

3. MINUTES OF THE LAST MEETING

The Finance Committee minutes of 6th June 2017 were deemed accurate and were approved.
The Estates Committee minutes of 27th April 2017 were also approved.

4. MATTERS ARISING

E3-001: an addendum had been added to the Financial Regulations increasing the threshold for seeking bids.

E3-002: invitation to meet with Surveyor – see item 5, below.

F3-001: Provisional budget results had been fed into the summer Corporation meeting by the Committee Chair.

F3-002: Financial Regulations not yet reviewed due to possible academisation (section on Variations to be expanded) – carry forward to next meeting.

5. UPDATE ON PROPERTY STRATEGY

The Director of Finance and Estates explained that she had not invited a member of this Committee to the meeting with the Surveyor as this newly-merged committee was in the process of being established, and membership was unknown at that time. The brief had not changed from previously discussed requirements. She would invite a member of the committee to the next meeting with the Surveyor and Architect.

ACTION: Director of Finance and Estates to invite the Committee Chair or Fran Stewart to the next meeting with the Architect and Surveyor.

Governors asked her the following questions:

Q: Are there any sixth form college sector norms in terms of square footage per student? There is guidance, but nothing statutory. We have a higher utilisation of the estate than most other colleges, and a lower percentage square metre per student. We are compliant with Buildings regulations.

Q: Are there any premises features that other colleges have found useful? It is not possible to compare this, as each college has different requirements from its estate.

The Director of Finance and Estates informed the meeting that she was proposing two bids for Condition Improvement Funding, both at priority level 1:

- For up to 3 new automated gates to the site, to improve security (£80-100k total)
- For fire safety enhancements such as detectors to raise the College's category from Level 3 to Level 2 (£80-100k).

The College would contribute £20-25k towards each, subject to successful submission. The results of the bids would be known next April.

Governors sought the following information from her:

Q: Is there a large maintenance cost associated with the new gates? My aim is to choose a solution with the least maintenance required.

Q: Will each of the 3 gates be the same? Yes, they will permit the same type of access.

Q: Have you sought the advice of the College's Building Surveyor? Yes; all gates and fencing will be within our boundary and less than 2m high, so planning approval is not required.

Q: National building regulations are due to be tightened as a result of the Grenfell fire; do you have to spend CIF monies within a certain deadline, or can you wait until the new regulations are published? We have to spend the funding by a certain date, but I will ensure that any solutions are scaleable if need be.

Q: If we increase our level of fire safety, might we get reduced insurance premiums? I will ask if this could lead to a saving. The contract with the current providers ends in the summer, and I will be asking for quotes from other firms as well.

Governors thanked the Director of Finance and Estates for her verbal report.

6. HEALTH AND SAFETY REPORT

The Director of Finance and Estates informed the meeting that the tower building was covered with a glazing system, not a composite aluminium cladding. Its height was well below the 18m maximum for fire engine ladders accessibility, and Surrey County Council and the ESFA had assured her that the building fell outside the tower fire test requirement, and no further tests are necessary. The tower was deemed by the College to be low risk, as it had two stairwells. Recent fire drill evacuations were very quick and staff were trained to use the evacuation chairs situated around the College.

The kitchen had received a deep clean over the summer, and water was tested for legionnaire's disease.

There had been 4 accidents this term, as opposed to 10 at the same point last year (mainly sporting injuries).

7. MINUTES OF THE ENVIRONMENTAL SUSTAINABILITY GROUP MEETING (18th OCTOBER 2017)

Governors asked the Director of Finance and Estates the following questions:

Q: Are the targets in the minutes generic ones? Yes, the meeting sets aims and objectives and discusses what might be achievable. There is a Statement of Activity which looks at prior and planned activity which is agreed in the spring term.

Q: Could you compare electricity usage year on year? We do measure our electricity consumption. We do our best with the resources that we have. If we can take a lower energy route, we do. We do run periodic Save Energy campaigns.

Q: Is there anything in the curriculum about energy conservation that the students can do themselves? This is covered in PDP.

Q: Do your procurement contracts require suppliers to measure their energy savings, or to use sustainably-sourced furniture, for example? This is an assessment criteria when we make large purchases. I will ask the catering company to produce food wastage figures.

The meeting noted the minutes from this meeting.

8. REVIEW OF ENVIRONMENTAL POLICY

The Policy was approved.

Approved by: Tim Oliver Seconded by: Robin John

9. REVIEW OF MANAGEMENT ACCOUNTS FOR YEAR ENDED 31st JULY 2017

The meeting reviewed the Management Accounts, and the Director of Finance and Estates was asked the following:

Q: Why are the actual 2016-17 figures different from those on the statutory accounts? There are several reasons – the deficit after depreciation is £207k compared with £435k deficit in the Statutory Accounts. This is due to £80k revaluation reserves released in the Management Accounts which go through the statement of reserves in the Statutory Accounts. There is then a £41k financing charge, and a £107k additional salaries charge as a result of the FRS102 pension adjustment.

Q: Could committee members receive a copy of the reconciliation account with the meeting papers? Yes.

The Accounts were approved (with item 10, below)

10. DRAFT REPORT AND FINANCIAL STATEMENTS FOR 12 MONTHS ENDED 31st JULY 2017

The Director of Finance and Estates stated that there was a late adjustment on the FRS102 figures – a note had been left off, and did not feed through to the text. This did not affect the materiality of the accounts; the Audit Committee would receive updated figures. In addition, note 16 needed amending as it did not tie into the pension fund, and one salary band move had been missed (the figures have since been adjusted.)

Q: Should the wording on page 27 refer to “Profit/Loss”? And that on page 28 could refer to “Deficit/Surplus”? I will amend the wording.

Q: Have there been any restatement of reserves, in terms of FRS102 No – this was done last year.

Q: What are the tax implications if the College becomes an academy? We would be able to reclaim VAT.

Q: Note 11 states that members do not “believe” that the College is liable for corporation tax – where does this wording come from? It is from the template provided by the AoC for Casterbridge accounts. The College does not earn sufficient income from non-educational activities to pay any tax.

The meeting noted that Adult Education had returned a surplus, and felt that the staff should be congratulated.

Governors thanked the Director of Finance and Estates for her clear and compliant financial statements, and they approved last year’s Management Accounts, and agreed to recommend the Financial Statements to the Corporation for approval (subject to the changes that had been identified).

Proposer: Damian O’Malley Seconder: Fran Stewart

11. REVIEW OF MANAGEMENT ACCOUNTS FOR 3 MONTHS TO 31st OCTOBER 2017

The meeting was informed that the College’s financial position was ahead of where it was expected to be at the end of October. Income is front-loaded, so although the budget was showing a surplus of £820k, this was expected to be £330k by the end of the financial year. Salary costs were key, and were net £31k below budget. This was largely explained by the pay rises not yet agreed. Funds allocated for progression guidance of £9k would not now be needed. However, there were unbudgeted costs due to be incurred for maternity cover and staff on long-term sick leave, so no adjustment was made to the budget.

Q: How much variation can there be between budgeted and actual salary spend? Last year my figures were only 0.2% out. I budget each individual by month, so the only differences that might arise are if staff go on maternity leave, or are sick or because of timing differences with the figures.

Q: Are exam costs stable and predictable? Yes, I am confident in the figures, although additional costs for the extra photocopying and paper for the new progression exams are not yet accounted for.

The meeting approved these Management Accounts with the Cashflow figures, below.

12. TWENTY-FOUR MONTH CASHFLOW FORECAST

The Director of Finance and Estates explained that cashflow was difficult to predict, and that the figures never match those of the accounts since they related to cash, not accruals.

She stated that £1m deposit had come up for renewal in October and, with the agreement of the Chair of the Corporation and the Chair of this committee, had rolled it forward for 6 months only as rates were so low. The £0.5m finishes its term in early December and she will seek the views of the Chairs above as to what to do with it thereafter.

The meeting noted the healthy cash balance and thanked the Director of Estates and Finance for her work.

Q: What does the “Manual cheques” line refer to? If, for example, someone uses Wisepay and their card expires, we have to write them a cheque. It is also for one-off suppliers that we will not repeat. It is not put against a spend category as it is manual and difficult to categorise.

Q: What do utility bills come under? Direct Debits.

The meeting approved the Management Accounts to 31 October 2017, and the Cashflow analysis.

Proposer: Fran Stewart Seconder: Ian Leigh

13. ANY OTHER BUSINESS

- It was agreed that the it be recommended to the Corporation that Simon D’Arcy be offered another year as a co-opted member of this committee (he confirmed that he was happy to continue). The Chair thanked him for his input and expert advice over the last year.
- The meeting discussed how the committee meeting date for next November might be altered to give the Director of Finance and Estates more time to prepare the accounts and meeting reports.

ACTION: Clerk to look at provisional dates for Autumn 2018.

14. DATE OF NEXT MEETING – Thursday, 8th March 2018

The meeting closed at 7.15 pm.

Attendance was 88% (7 out of 8 members)

Signed.....

Date.....

SUMMARY OF ACTIONS

FE1-001	<u>Item 4. Matters Arising (Financial Regulations review)</u> – Director of Finance and Estates to expand the Variations section.
FE1-002	<u>Item 5. Property Strategy Update</u> - Director of Finance and Estates to invite the Committee Chair or Fran Stewart to the next meeting with the Architect and Surveyor.
FE1-003	<u>Item 13. Any Other Business (Autumn committee meeting dates)</u> – Clerk to look at provisional dates that would enable the Director of Finance and Estates to have more time to prepare the accounts for the meeting.

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

C/S	Item	Topic
S	5	<u>Property Strategy</u> -
C	7	<u>Environmental Sustainability Group Minutes</u> - Governors probed as to whether there were other opportunities for the College to be eco-friendly.
C	9 - 12	<u>Financial Statements</u> – questions from Governors to ensure that they understood the financial position, and that the figures were accurate.
S	13	<u>AOB</u> : recognition that the professional expertise of an ex-governor would add value to the Corporation, and he was co-opted to the committee for a second year.
S		Governors were keen not to add to the Director of Finance and Estates' workload, and suggested moving the date for the autumn 2018 meeting back.