



MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held on Microsoft Teams
Wednesday 18th November 2020 at 6 pm.

Present:

Paul Collyer (Chair)	Fran Stewart
Dan Dean (Principal)	Tom Webb
Berzek Sanda	Mark Nelligan
Tim Oliver	Declan Mason

Stephanie Wiles (Advising Officer)
Ken Kehoe (Clerk)

1. REGISTER OF INTERESTS

There were no declarations of business interests from the Trustees.

2. APOLOGIES FOR ABSENCE

There were no absences.

3. MINUTES OF THE LAST MEETING

The minutes of the previous meeting of 24 June 2020 were approved as an accurate record.

4. MATTERS ARISING

F&E3-001: COVID 19 IMPACT The Director of Finance and Estates to update the committee on discussions about the catering contract, after legal advice. **The Director of Finance and Estates noted that the current arrangements with the caterer were costing between £4k and £6k per month. This included the costs of the two staff that had been redeployed as COVID marshals. While consideration had been given to bringing catering back in house, the Director of Finance and Estates proposed to maintain the current arrangement. The committee, in discussion, made the following points:**

- **There would need to be great caution about bringing catering back in house and it would need to be the subject of a separate committee decision;**
- **It would not make sense, at this time, to increase the College's cost base by bringing it in house when the contract offered flexibility.**

The committee approved the approach being taken by the Director of Finance and Estates and recognised the monthly costs that were involved.

F&E3-002: HEALTH AND SAFETY The Director of Finance and Estates to ensure consideration is given to the Health and Safety arrangements for staff working from home. **The Director of Finance and Estates noted that staff were now back at work but the College had reacted if staff had raised concerns. Looking forward, the College would work on arrangements for staff if the College had to move back to working from home.**

5. COVID 19 IMPACT

The Director of Finance and Estates informed that the COVID related costs totalled £136k, £35k of which relate to the current year. The costs covered 2 additional cleaners, catering, and detailed Health and Safety work to comply with the Government's changing regulations, including 2 marquees. (1 of the marquees would come down at Christmas as a result of the opening of the new canteen.)

The committee asked the following questions:

- Are the additional costs recoverable? The Director of Finance and Estates explained that she had looked at whether that was possible but the College did not meet the requirements as it was in a financially strong position. The College would just have to bear the extra costs.
- Were there any extra costs for catch up? The Principal noted that the students were not far behind and that there was no extra catch up expenditure.

6. UPDATE ON ESTATES (CAPITAL PROJECT OUTTURN), ENVIRONMENTAL COMMITTEE AND PROPOSED CIF 20/21 BID

The Director of Finance and Estates updated the committee on the current projects: the projects had come in under budget; and the 3G pitch was now available to let.

Turning to prospective projects, the Director said that the budget for the Performing Arts build was £820k. This would not be the subject of a CIF bid. It was now her intention to tender the whole project rather than separately. The second project was a Student Support building, estimated to cost £853k; this would be the subject of a CIF bid and would require a contribution of 20% or £171k from the College. A contribution of that scale gains the maximum CIF scoring points. She was considering tendering both projects together to save money.

In discussion, the committee made the following points:

- Where is the funding for the Performing Arts building coming from? The Director noted that it was part of the College's property strategy and it would be funded from the College's reserves.
- How had the two current projects come in under budget? The Director explained that part of the reduction in Canteen costs came from reclaiming the VAT after the change to Academy status and in addition, the contractors were more cost-effective than originally allowed for.
- It was a good idea to tender the two projects together as the College might get better value.
- How are the costs estimates arrived at? The Director said that the estimates were based on the project manager's experience.

- It was important to be clear who was taking on the design risk and whose Public Interest Insurance cover would be at risk.
- Do you have the capacity to manage two projects at the same time? The Director of Finance and Estates said she was not worried about conducting a double tender as the architect and the project manager would provide support. The greater concern was the impact on the life of the College. A Trustee suggested that within tender documentation Contractors should be asked how they would mitigate disruption to the College during works.

The committee agreed the Student Centre project, based on a £853k budget, and agreed a 20% contribution as part of a CIF bid.

Action: The Director of Finance and Estates to confirm who would have the design risk in the two new projects.

7. HEALTH AND SAFETY UPDATE

The Director of Finance and Estates informed the committee that there had been 4 accidents involving staff, but no significant issues were identified. There would be a meeting of the Health and Safety Committee next term.

8. HEALTH AND SAFETY POLICY

The Director of Finance and Estates noted that the policy was essentially unchanged apart from that now it reflected the change to Academy status and the COVID rules were reflected in the Infection Control section. The committee made the following points:

- How do we ensure that the policy reflects changes to statutory requirements? The Director of Finance and Estates explained that the College employed a specialist Health and Safety Consultant who would advise the College if there was a change in statutory requirements. She was comfortable that we had the right advice.
- How do we ensure compliance with the Policy? The Director of Finance and Estates explained that the committee receive an annual Health and Safety report and regular health and safety updates at each meeting.
- It was important that homeworking was explicitly covered following the next review of the policy.

The committee approved the Health and Safety Policy, subject to homeworking being included at the next Review.

Action: The Director of Finance and Estates to include homeworking in the next review of the Health and Safety Policy.

9. REVIEW OF MANAGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR YEAR END 31 AUGUST 2020

The Director of Finance and Estates noted that the 6% surplus would have been classified previously as "Outstanding". There had been no new unexpected variance in expenditure and only minor

variances in income as some trips had taken place prior to lockdown. Cashflow was really healthy as capital payments had been slower, partially as a result of lock down.

In discussion, the following points were made:

- The Director of Finance and Estates informed the committee that there was £1m on deposit with one bank and a further £1.5m on 95 day notice with another bank. The interest rates were low;
- In response to a question, the Director of Finance noted that she was taking a prudent approach to the forecasting of the Teachers' Pension Grant and not assuming any receipts in future years or beyond March/August 2021.
- The Principal noted that working with an annual budget allocation made long term planning difficult. The income from the increased student funding rate was likely to be secure but it was the additional income from other sources that was difficult to predict;
- Should we be cautious about capital spending to preserve our reserves? The key to insuring the future financial position of the College was to invest to make it the place to come, thus protecting future revenue.

The committee agreed management accounts, cashflow and commentary for the year end, 31 August 2020.

10. DRAFT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Director of Finance and Estates introduced the Report and Financial Statements, noting that the main difference between these accounts and previous accounts was that funding and reserves were split into restricted and unrestricted. The former included the student funding, while the latter included items such as interest, adult education, and lettings.

In discussion, the committee made the following points:

- The Principal noted the production of the Report and Statements was a first for the Director of Finance and Estates and he was really grateful to her and her team;
- What was the impact of the pension liability? The Director of Estates and Finance explained that ESFA ignored pension liabilities and as any change in funding requirements could only follow an actuarial valuation, rather than the FRS102 figure, there was no substantive impact.
- The date of the asset transfer shown in paragraph 3 on page 4 of the report should be "2019" rather than "2020".
- The committee thanked the Director of Finance and Estates and her team for their work producing the Report and Financial Statements.

The committee agreed to recommend the draft Report and Financial Statements to the Board of Trustees, subject to the amendment to paragraph 3 of page 4.

Action: The Director of Finance and Estates to amend the date of the asset transfer shown on page 4 of the draft report.

11. REVIEW OF THE MANGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR 2 MONTHS TO 31ST OCTOBER 2020

The Director of Finance and Estates introduced the accounts, cashflow projections and commentary for the first two months of the year. There was a higher surplus than predicted but this was mainly a phasing issue. There were no areas of concern on expenditure but the forecasts of income from adult education, lettings and interest were understandably lower than anticipated. The Director of Finance and Estates would carry out a full re-forecast in the next couple of months. The Director noted that cashflow was healthy although the balance was lower than budgeted. This was as a result of capital spend being double counted. This will be rectified in the next cashflow forecast.

The Principal noted that the College had more students on roll so the College finances would be comfortable. He also noted that there was some income from adult education as Level 2/3 Counselling and Life Skill courses were continuing to operate. There had been no pay award settlement yet.

The committee approved the Management Accounts, Cashflow and Commentary for the period to 31st October 2020.

12. UPDATED FINANCE DEADLINES

The Director of Finance and Estates introduced the new schedule of finance deadlines, which reflected ESFA deadlines. The committee would get two sets of management accounts at each meeting and information would be circulated between meetings by email.

The committee agreed the schedule of finance deadlines.

11. ANY OTHER BUSINESS

None.

12.DATE OF NEXT MEETING: The next meeting would be held on 10 March 2021 but the Chair of the committee and the Director of Finance and Estates would discuss before then whether anything more was required.

*The meeting closed at 7.11pm.
Attendance was 100%.*

Signed.....

Date.....

SUMMARY OF ACTIONS

F&E1-001	The Director of Finance and Estates to confirm who would have the design risk in the two new projects.
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F&E1-002	The Director of Finance and Estates to include homeworking in the next review of the Health and Safety Policy.
F&E1-003	The Director of Finance and Estates to amend the date of the asset transfer shown on page 4 of the draft report.

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

C/S	Minute	Topic
C	6	<p>UPDATE ON ESTATES (CAPITAL PROJECT OUTTURN), ENVIRONMENTAL COMMITTEE AND PROPOSED CIF 20/21 BID</p> <p>The committee questioned whether the Director and Finance and Estates would have enough support to manage the tender process for two constructions projects concurrently.</p>
S	10	<p>DRAFT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS</p> <p>The committee thanked the Director of Finance and Estates and her team for their work in putting together the College's first Report and Financial statements.</p>