



MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held At Esher Sixth Form College
Wednesday 11 March at 6 pm.

Present:

Robin John (Chair)	Fran Stewart
Dan Dean (Principal)	Tom Webb
Ian Leigh	
Berzek Sanda	

Mark Nelligan
Stephanie Wiles (Advising Officer)
Ken Kehoe (Clerk)

1. REGISTER OF INTERESTS

There were no declarations of business interests from Trustees.

2. WELCOME AND APOLOGIES FOR ABSENCE

The Chair welcomed Mark Nelligan, who had agreed to become a Trustee. Apologies were received and accepted from Simon D'Arcy and Tim Oliver.

3. MINUTES OF THE LAST MEETING

The minutes of the previous meeting of 20th November 2019 were approved and signed as an accurate record, subject to the first bullet of the action list being deleted as it referred to an earlier meeting.

4. MATTERS ARISING

FE1-001: Item 4 Matters Arising – Closed.

FE1-002: Item 4 Matters Arising – Complete. The Director of Finance and Estates advised that she had put the information on the profitability of courses on the Trustees' portal. There was only one subject, German, that was loss making and two further courses, Art and Design, and Drama and Theatre, that were low profitability. The College continued to offer these courses as they were part of its broad curriculum offering.

FE1-003; Item 5 CIF bid – Complete. The Director of Finance and Estates advised the committee the College had submitted one CIF bid for a £280k project with a £56k contribution. They expected to hear at Easter.

FE1 -004: Item 6: Health and Safety Report – Complete. The Director of Finance and Estates had spoken to the contractor and they had said that they did not believe there is any autoclaved aerated concrete within the College’s roof structures.

FE1-005: Continuation or suspension of Financial Strategy Group: Complete

5. MANAGEMENT ACCOUNTS PLUS FORECAST OUTTURN

The Director of Finance and Estates introduced the management accounts and the forecast outturn. The budget’s financial health of ‘outstanding’ was still on target but she wanted the committee to note two items, in particular: on Income, the College had been able to reclaim the Rates only because of its Academy status; and, on Expenditure, the original budget had not included the prior year pay award, due to the lateness of its award. This had now been corrected and the forecast updated.

The Director of Finance and Estates also noted that these accounts would form the basis of the interim budget report to ESFA and she wanted the committee to note and approve the predicted surplus.

The committee noted the positive position and thanked the Director of Finance and Estates for her work.

The committee approved the Management Accounts, commentary, Cash Flow projections and the forecast outturn.

6. REVIEW OF FINANCIAL REGULATIONS

The Chair thanked the Director of Finance and Estates for her draft. In discussion, the committee made the following points:

- Para 5.5. The text on the Financial Strategy Group should make clear that this was an Ad Hoc working Group, convened by the Chair of Trustees, with members as defined by its Terms of Reference. Its remit would also be determined by its Terms of Reference. Recommendations would be passed through the Finance and Estates committee before being submitted to the Board of Trustees.
- In paragraph 8.1, the reference to the Whistleblowing Policy being at the Appendix should be deleted.
- Paragraph 10.4 should make clear that the Accounting Officer delegates the responsibility for preparing budgets to the Director of Finance and Estates;
- Paragraph 14.1 - The text should refer to the Finance and Estates committee setting the approach to Treasury management. The references to “policies” should be deleted.

The committee asked whether the policies listed at Paragraph 2.9 had all been adjusted to reflect the College’s status as an academy; in response, the Director of Finance and Estates noted that all policies had been formally carried over from the sixth form college to the academy and were now being reviewed in line with an agreed schedule. The FMGS (ESFA) auditors were happy with this approach.

The committee agreed to recommend the Financial Regulations, subject to the text changes set out above and any comments from the Audit Committee to the Board of Trustees.

7. UPDATE ON PROPERTY STRATEGY AND RESERVES PLAN

The Director of Finance and Estates updated the committee on the College's reserves and capital plans. She noted that:

- There was likely to be a CIF underspend that would need to be returned to the ESFA;
- On the 3G pitch, this was still subject to planning permission but they were not expecting difficulties as there were a shortage of facilities in the area;
- The Reserves Plan assumed the full cost of the LED project if no CIF contribution was forthcoming.

In discussion, the committee made the following points:

- If there was an underspend, the ESFA would take the whole amount not just a share based on their contribution;
- It was important that, when completing the new build, sufficient resource was used to fully equip it;
- Before returning any underspend, the Director should explore with ESFA whether the underspend could be retained to fund this year's CIF bid.

Action: The Director of Finance and Estates to investigate with ESFA whether any underspend could be retained to fund this year's CIF bid.

The committee approved the Reserves Plan.

Turning to the Property Strategy, the Director of Finance and Estates informed the committee that:

- The new canteen was 2 weeks behind schedule due to the inclement weather;
- They were hoping to get planning approval for the 3G pitch; and
- She was expecting to hear the results of the CIF bid for LED lighting near Easter.

Turning to the Performing Arts building, the Director of Finance and Estates said that they were moving towards planning permission but the original contractor had pulled out and this had caused significant delay. If the project was to go ahead over the summer, this could not now happen if they undertook a full tender process. She wished to propose to the committee that she investigate, with the contractor delivering the current project, the possibility of them also building the shell of the new Performing Arts building. The specialist parts of the building (eg the dance floor) would be put out to tender in the normal way.

In discussion, the committee made the following points:

- The potential savings from running a full tender for the whole project would be offset by the costs of delay caused by the project not being able to start until later in the summer break. In particular, any works would need to be secured during term time and there would be extra costs as the contractor would be required to split the works.
- The proposal was that only the shell of the building would not be put out to tender, the specialist parts would be and therefore savings would still be made;
- It was important that the current contractor offered a sensible price;
- The possible, marginal extra cost was worth it if the project was delivered on time.

The committee agreed to approve up to £700k for the Performing Arts building on the basis that a significant amount of the project would be tendered anyway, and that there would be extra costs to securing the site if the project start was delayed.

Action: The Director of Finance and Estates is to write to the committee setting out the value of those parts of the project that will be subject to full tender.

8. HEALTH AND SAFETY REPORT

The Director of Finance and Estates informed the committee that there had been 14 accidents this Academic Year, compared with 13 for the whole of last year. There was no underlying cause to the increase, last year's had been unusually low. There had been no incidents requiring reporting to the HSE. The Director noted that the College had a schedule of Health and Safety studies and works; this schedule was being worked through.

The committee thanked the Director of Finance and Estates for her briefing.

9. ENVIRONMENTAL SUSTAINABILITY GROUP

The Director of Finance and Estates, as Chair of the Group, updated the committee on the Group's activities. The students had done a lot such as Vegan day and a leave your car at home day.

The committee welcomed the Group's report.

10. ENVIRONMENTAL SUSTAINABILITY: STATEMENT OF PLANNED AND PRIOR ACTIVITY

The Director of Finance and Estates highlighted the move to use solar panels in the new extension to reduce energy use, there has been a big push to improve recycling and reduce waste and to plant more trees.

In response to a question from the committee, the Director of Finance and Estates noted that the College was not yet plastic bottle free but that the canteen extension would include water bottle refill stations.

The committee wanted to record their appreciation of the efforts of the student body to highlight and drive forward environmental activities.

11. ANY OTHER BUSINESS

The Director of Finance and Estates informed the committee of the preparations the finance department were making as part of COVID 19 planning: to ensure the College could continue to make payments using 2-person authentication, a third member of staff will be given the power to authorise payments if needed. They were also running BACS transfers every couple of days so that in the event of significant staff absences during the COVID-19 outbreak, the College would have a 2 or 3-week window before payment deadlines became due.

The Principal informed the committee that funding for next year was looking very positive. The funding allocation was £800k up on the assumptions last summer; this reflected both an uplift in per head funding of £188 and significant funding for curriculum development.

The Principal also informed the committee that there had been a sixth day of industrial action. But there was now a two year pay offer on the table which he hoped would be sufficient to forestall further industrial action.

Finally, the Chair noted that this was his last meeting of the Finance and Estates committee. The committee thanked the Chair for his service to the College.

12. Date of Next Meeting: Wednesday 24th June 2020

*The meeting closed at 7pm.
Attendance was 75%.*

Signed.....

Date.....

SUMMARY OF ACTIONS

F&E2-001	Item 7, UPDATE ON PROPERTY STRATEGY AND RESERVES The Director of Finance and Estates to investigate with ESFA whether any CIF underspend could be retained to fund this year's CIF bid.
F&E2-002	Item 7, UPDATE ON PROPERTY STRATEGY AND RESERVES The Director of Finance and Estates is to write to the committee setting out the value of those parts of the Performing Arts project that will be subject to full tender.

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

C/S	Minute	Topic
S	5	MANAGEMENT ACCOUNTS PLUS FORECAST OUTTURN The committee noted the positive financial position and thanked the Director of Finance and Estates for her work.
C	6	REVIEW OF FINANCIAL REGULATIONS The committee asked whether the policies listed at Paragraph 2.9 had all been adjusted to reflect the College's status as an Academy; in response, the Director noted that policies were being reviewed in line with an agreed schedule and that the auditors were happy with this approach.