



## MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held on Teams  
Wednesday 10 March 2021 at 6 pm

### **Present:**

Paul Collyer (Chair)  
Dan Dean (Principal)  
Simon D’Arcy  
Declan Mason  
Mark Nelligan  
Tim Oliver  
Tom Webb

Stephanie Wiles (Director of Finance and  
Estates, Advising Officer)  
Ken Kehoe (Clerk)

### **1. REGISTER OF INTERESTS**

There were no declarations of business interests from Trustees.

### **2. APOLOGIES FOR ABSENCE**

Apologies were received and accepted from Fran Stewart and Berzek Sanda.

### **3. MINUTES OF THE LAST MEETING**

The minutes of the previous meeting of 4<sup>th</sup> November 2020 were approved as an accurate record, subject to two changes:

First, the final sentence of last bullet point of Item 6 should be re-drafted to:

“A Trustee suggested that within tender documentation Contractors should be asked how they would mitigate disruption to the College during works.”; and that

Second, the word “finance” be inserted after College in “The Principal noted that the College had more students on roll so the College would be comfortable.” (Item 11 of the Minutes).

**Action:** Clerk to amend minutes as agreed.

#### 4. MATTERS ARISING

F&E1-001 The Director of Finance and Estates to confirm who would have the design risk in the two new projects. **Done. The Director of Finance and Estates had sent an email to Trustees on 23 November setting out how design risk would be handled.**

F&E1-002 The Director of Finance and Estates to include homeworking in the next review of the Health and Safety Policy. **This had not yet been done due volume of work facing the Director of Finance and Estates, not least managing the Health and safety aspects of the College's re-opening.**

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. **This had been done.**

#### 5. COVID 19 Update

The Director of Finance and Estates informed the committee that she had included a new table in the January Management Accounts setting out the costs of dealing with the COVID 19 crisis. Total costs so far were about £217k, with £102k expected this Academic Year. The principle costs related to extra staffing, the subsidy to the canteen, IT kit, marquee hire and ongoing costs of being COVID secure (e.g. wipes etc).

In terms of Health and Safety, the main effort was on mass-testing. The College had carried out 300 tests on staff since mid-January and 800 to date on students. There had been no positive tests so far. The College could not have undertaken this task without the efforts of the Deputy Estates Manager and the College nurses.

In response to a question, the Director of Finance and Estates explained that, under the Government's scheme, a college could only reclaim its extra COVID costs if it was already in financial difficulty. As Esher Sixth Form College was in a secure position, it was expected to bear the extra costs.

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

#### 6. MANAGEMENT ACCOUNTS PLUS FORECAST OUTTURN

The Director of Finance and Estates introduced the management accounts and the forecast outturn from December 2020 and January 2021. She made the following points:

- Community Infrastructure Levy income of £200k was received in December. This had not been budgeted for as, until the project was completed and the planning conditions met, it was not guaranteed;
- The College had received catch up funding of £15k; this amounted to £7.50 per student. The College had also received £20k for a Maths Teacher Training fund; and
- Staff costs have been reforecast, with teaching staff costs up £23k and non-teaching staff costs £64k; these changes reflected more detail on the pay awards, the use of catering staff in COVID roles and some fraction changes.

The Principal noted that support staff had agreed a 2 year pay deal but that, following, the teacher's Pay settlement, this had been re-opened and an increased award for support staff confirmed. He also noted

that, as the College was not covered by the Pay Review Bodies, the government announced public sector pay freeze would not necessarily apply.

In response to questions, the Director of Finance and Estates made the following responses

- The Adult Education budget had been reduced by £18k based on what the College knew would be happening, but no adjustment had been made to the lettings forecast because the picture was so uncertain. It would obviously be less than in the budget but would be adjusted once we had more information;
- The forecast for trips and visits had been left unchanged because, although the volume of such trips and visits would be less than expected when the budget was drawn up, as they were cost neutral, the item did not affect EBITDA.;
- The “Inadequate” rating on the dashboard reflected the projection of EBITDA below 4% level. The projection was based on the original budget of 1920 students, but College will end with more students and therefore a higher rating, once the coming year’s budget is calculated;
- Projected ESFA income for 2021/22 is lower than that for 2020/21 based on the difference between actual and projected student numbers.

Turning to the cashflow forecasts, the Director noted that the College’s cash balances were very healthy, not least because the College had received an over-payment from the ESFA of £464k relating to the CIF fund. This would have to be returned to the ESFA.

In response to a question from a Trustee, the Director of Finance and Estates said that a significant part of the cash reserves was accounted for by the two new planned buildings. It was not possible at this time to consider whether an investment strategy with less cash holding would be the best approach, but this could be reviewed in 9 months. Trustees asked that constraints placed by the Articles of Association and other relevant regulations on possible investment strategies be considered.

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

**Action:** The Director of Finance and Estates to consider, at the turn of the year, whether the investment strategy for the College’s cash balances was appropriate, subject to any constraints imposed by the Articles of Association and other relevant regulations.

## 7. UPDATE ON PROPERTY STRATEGY

The Director of Finance and Estates updated the committee on the College’s Property Strategy:

- The monies for the 3G pitch had been received;
- Planning permission had also been granted for the new Performance and Student Support/LRC buildings;
- As previously agree, a CIF bid of £853k, with a £171k contribution, had been submitted in January for the new Student Support building;
- Tenders for the two new buildings will go out shortly. There will be invitations for both projects together and individually.

In response to questions, the Director of Finance and Estates noted that, even with 3 new classrooms, because of increased student numbers, occupancy was still running at 64/65%. This meant that we were still competitive for CIF bids.

## **8. HEALTH AND SAFETY REPORT**

The Director of Finance and Estates informed the committee that there had been 7 accidents this Academic Year, 2 involving students, the rest staff. Health and Safety activity was taking up a huge amount of resources; in addition to the COVID 19 work, the fire alarm and emergency lighting had been tested, the kitchen had been given a deep clean and the air conditioning units serviced and tested. The Director of Finance and Estates noted that a meeting of the Health and Safety committee had to be scheduled.

In response to questions from Trustees, the Director of Finance and Estates said that the opening of the canteen will be dependent upon circumstances and the number of students. The contractor was being paid on a cost-plus basis.

The committee thanked the Director for her briefing.

## **9. ENVIRONMENTAL SUSTAINABILITY GROUP**

The Director of Finance and Estates updated the committee on the Group's activities. In response to questions, the Director of Finance and Estates explained that the replacement of windows was limited to one block and the Architect was helping ensure that a tender/quote mechanism was used to ensure best price, also the planning of the work would be done to ensure we didn't spend more than was necessary – e.g. we would replace all windows on the top floor on one side at once, so we only needed scaffolding once. This was being done out of the day-to-day maintenance budget. It would be difficult to manage another large property project. In response to a question, the Director of Finance and Estates said that she was not aware of any grants being available to cover the cost of the window replacement.

The committee welcomed the Group's report.

## **10. ENVIRONMENTAL SUSTAINABILITY: STATEMENT OF PLANNED AND PRIOR ACTIVITY**

The Director of Finance and Estates said that there was significant enthusiasm among the student body for environmental initiatives. There were 22 students on the Eco Committee, and they were looking to develop measures for the Eco Schools Award.

In response to a question about the operation of the environmental discount scheme in the canteen, the Director of Finance and Estates noted that the scheme, though available, in reality was not used.

The committee welcomed the student environmental activities.

## **11. REVIEW OF ENVIRONMENTAL POLICY**

The committee approved the Environmental Policy.

## **12. ANY OTHER BUSINESS**

The Director of Finance and Estates informed the committee that the College's insurance agreement was up in July. The College could join the Department of Education RPA scheme (a risk pooling scheme), but this did not cover all issues. It would be possible to use the RPA scheme and then buy cover for the excluded items. This would save £10k per annum plus the need for a revaluation of the site, which would cost £5k. In response to a question, the Director of Finance and Estates noted that the RPA was a government scheme, and the CPC is a tendering framework which would meet the necessary tendering standards.

### 13. DATE OF NEXT MEETING

The next meeting is scheduled for Wednesday 23rd June.

*The meeting closed at 7pm.  
Attendance was. 78 %.*

Signed.....

Date.....

### SUMMARY OF ACTIONS

<b>F&amp;E2-001</b>	Clerk to amend minutes as agreed.
<b>F&amp;E2-002</b>	The Director of Finance and Estates to consider, at the turn of the year, whether the investment strategy for the College's cash balances was appropriate, subject to any constraints imposed by the Articles of association and other relevant regulations.

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

<b>C/S</b>	<b>Minute</b>	<b>Topic</b>
S	5	<b>COVID 19 Update</b>  The committee thanked the Director of Finance and Estates and her team for their work ensuring health and safety on the return of students to the site.
C	6	<b>Management Accounts and Cashflow</b>  The Trustees asked the Director of Finance and Estates to look at the College's investment strategy in light of its cash holdings.