



MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held on Teams
Wednesday 24th November 2021 at 6 pm.

Present:

Paul Collyer (Chair)
Dan Dean (Principal)
Declan Mason
Fran Stewart
Mark Nelligan

Stephanie Wiles (Advising Officer)
Ken Kehoe (Clerk)

1. REGISTER OF INTERESTS

There were no declarations of interests from Trustees.

2. APOLOGIES FOR ABSENCE

Apologies were received and accepted from Tim Oliver and Jane Duscherer.

3. MINUTES OF THE LAST MEETING

The minutes of the previous meeting of 23rd June 2021 were approved as an accurate record, except for a typographical error on page 3 (bullet 5) and on page 8.

Action: Clerk to amend draft minutes.

4. MATTERS ARISING

There were two actions arising from the last meeting:

F&E3-001 Provisional Budget 2021-22 and financial plan including commentary and 24- month cashflow forecast to be circulated for the next Board meeting. **This action was complete.**

F&E3-002 The Director of Finance and Estates should commission a survey of the roof condition in the next academic year. **The Director advised that this would be done after the completion of this year's Audit. The committee agreed that the action should be kept open.**

5. UPDATE ON ESTATES AND ENVIRONMENTAL COMMITTEE

The Director briefed the committee that the work to repair the roofs over the canteen and the LRC had been completed over the summer.

The Director updated the committee on the work programme for the two new builds. There was a delay of 1 week on the dance studio and 8 weeks on the student support building. A factor in the delays was problems with the groundworks but, with regards to the student services building, it also reflected a change to make the building more flexible. The college had not been advised that this additional flexibility would have a knock-on effect on the programme because of the lead times for relevant building supplies. Trustees asked whether there was a risk of further delays; the Director said that she was waiting for confirmation that the necessary orders had been placed. Trustees also asked whether there would be an impact on next year's examination period; the Director advised that the build would not be completed before the examination period started but, at that stage, most of the works would be internal to the new build.

Trustees asked that the Director update them when she had confirmation that the required orders had been placed or, if the orders were not placed, provide advice on implications.

Action: Director of Finance and Estates to update the committee when she had confirmation that the required orders had been placed or, if the orders were not placed, provide advice on implications.

The Director advised that the Environment Committee would be meeting the next day and that the reviewed Environmental Policy and statement of planned activity would be tabled at the next meeting of the committee.

6. HEALTH AND SAFETY UPDATE

The Director advised that there had been 5 accidents thus far, compared to 4 in the same period last year. None of the accidents required notification to the HSE.

All regular checks were taking place and these had revealed faulty emergency lights and a defect in the Sports Hall internal wall. These had now been rectified.

In response to Trustee questions, the Director confirmed that accidents on the 3G pitch involving those letting the pitch were not recordable by the College and that it was a condition of rental that the individuals had suitable insurance and first aid. The Director also confirmed that the College maintained insurance as a back-up.

7. INSURANCE TENDER RESULTS

The Director briefed the committee on the outcome of the tender process she had conducted. The process had saved £14k against costs last year, and £23k against what the previous insurer had asked. Trustees asked if the insurance coverage was the same or did the lower cost reflect lower coverage; the Director assured the committee that there had been no cut in coverage.

Trustees, noting the difficult insurance market, commended the Director on the savings that she had achieved.

8. REVIEW OF MANAGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR YEAR ENDED 31ST AUGUST 2021 INCLUDING RECONCILIATION TO FINANCIAL STATEMENTS

The Director introduced the Management Accounts, the Cashflow and Commentary, noting that the College had income of over £10m for the first time, and EBITDA of 12.5%. She advised that the accounts reflected that Rates charges had just been delayed, not cut, and that there was uncertainty over the size of the credits from the exam boards.

Trustees noted the net contribution from Adult Education and Lettings and asked whether a bigger net contribution was possible. The Director advised that she would be reviewing the forecast.

The Director highlighted the contracts table that now contained additional information, as requested.

The committee approved the Management Accounts, Cashflow and commentary for year ended 31st August 2021 including reconciliation to financial statements.

9. DRAFT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The committee considered the draft Annual Report and Financial Statements. The Director briefed the committee on several drafting amendments, including those agreed by the Audit Committee.

The Chair of Audit Committee advised the committee of the External Auditor's praise for the Director's work in producing the accounts and securing a clean audit.

The committee agreed to recommend the Draft Annual report and Financial Statements to the Board of Trustees.

10. REVIEW OF MANAGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR 2 MONTHS TO 31ST OCTOBER 2021

The Director made the following comments:

- The income from the 16-19 Tutor Fund had not been automatically provided. Instead, providers had had to apply. The College had received confirmation that it would receive £12k.
- Income from lettings reflected actual receipts and it was already higher than the whole of the last year. She was forecasting £70k income. This was a real credit to the new Lettings Manager.
- Electricity charges had gone up by 26%; she had not yet received the gas price increases. The external advisers had said that the College should sit tight.
- EBITDA was 15% and cash was healthy. Capital expenditure had been slower than originally expected.

Trustees agreed that the College should not seek to switch electricity suppliers, given the volatility in the market. The Trustees authorised the Director of Finance and Estates to take what action was necessary and reasonable, should better deals become available. Trustees also agreed that the Adult Education provision should focus on net revenue generation and that, given the increase in Lettings income, this was likely to continue to focus on counselling provision.

In response to Trustee questions about the projections of EBITDA dropping below 4%, the Director and Principal explained that with the number of students enrolled and the limited gains to 16-19 funding,

protected in real terms, they were expecting EBITDA to rise above the 4% threshold in 2022/23. They advised that the pressure on EBITDA reflected rising costs.

The committee approved the management accounts, cashflow and commentary for 2 months to 31st October 2021.

11. ANY OTHER BUSINESS

The Principal advised the committee of the rising number of COVID cases and said that the College would be in contact with local public health authorities.

12. DATE OF NEXT MEETING

It was agreed that the next meeting should be scheduled for Wednesday 9th March 2022.

*The meeting closed at 6.38pm.
Attendance was 71 %.*

Signed.....

Date.....

SUMMARY OF ACTIONS

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|-------------------------------|---|
| F&E3-002 (2020/21) | The Director of Finance and Estates should commission a survey of the roof condition in the next academic year. |
| F&E1-001 | Clerk to amend draft minutes of 21 June 2021. |
| F&E1-002 | Director of Finance and Estates to update the committee when she had confirmation that the required orders had been placed or, if the orders were not placed, provide advice on implications. |

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

| C/S | Minute | Topic |
|------------|---------------|--|
| C | 5 | Update on Estates The Trustees scrutinised the reasons for the delay in the delivery of the Student Services Building and its impact. |
| S | 7 | Insurance Tender The Trustees commended the Director of Finance and Estates on the savings she had secured in the cost of the College's insurance cover. |