



MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held on Teams
Wednesday 23rd June 2021 at 6 pm.

Present:

Paul Collyer (Chair)
Dan Dean (Principal)
Simon D'Arcy
Tim Oliver

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 Fran Stewart, Mark Nelligan, Berzek Sanda, Declan Mason and Tom Webb.

3. MINUTES OF THE LAST MEETING

The minutes of the previous meeting of 10th March 2021 were approved as an accurate record.

4. MATTERS ARISING

There were two actions arising from the last meeting:

F&E2-001 Clerk to amend minutes as agreed. **This had been done.**

F&E2-002 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. **The Director of Finance and Estates advised that if the College was to hold financial assets other than cash then it would need to adopt an Investment Policy the overriding premise of which must be the security of funds. Following further discussion, the committee agreed that a prudent approach to its financial assets was appropriate and that cash should be kept in the top four High Street banks. There was, therefore, no requirement for a specific Investment Policy.**

5. COVID 19 Update

The Director of Finance and Estates updated the committee on the impact of the COVID restrictions:

- the total costs of Covid amounted to £216k. Income of £37,830 had been received to cover mass testing. The testing had been a major undertaking and much credit went to the staff involved, including the Deputy Estates Manager and the College nurses;
- the Covid Risk Assessment was now on its 7th iteration, the Risk Assessment will be revised again following any new DfE advice prior to the next stage of the lifting of restrictions;
- in response to a question from a Trustee regarding the ongoing impact of COVID on the costs of catering, the Director of Finance and Estates said that she would take a cautious approach to the reopening of the canteen we would not want to recruit additional members of staff and find us heading for another lockdown and having to cover those staffing costs. The key issue was the timing of the recruitment of the Chef Manager. This would probably not happen before the beginning of September with a view to having the Chef Manager in place from October.

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

6. FINANCE AND BUDGET REPORT TO 30.04.21 AND 31.05.21, COMMENTARY AND 24-MONTH CASHFLOW FORECAST

The Director of Finance and Estates introduced the management accounts and the forecast outturn. She made the following points:

- the College had received £538k of grants for teachers pay and pensions. The College had been informed that the grants would remain in place until April 2023;
- Income from Adult Education was lower but lettings income was higher than expected;
- cash flow was £800k higher than forecast, largely due to the unexpected CIF receipt that the College had been informed it could retain and the running EBITDA surplus;
- There was a new table showing suppliers with whom the College spent more than £30k; this was in response to an Internal Audit recommendation.

In response to a question, the Director of Finance said that:

- as part of the Internal Audit of Procurement and Purchasing that had just been completed and considered by the Audit Committee, every contract on the new table had been reviewed. It was also her intention that, by the first quarter of next year, the table would be restructured to give brief details of each contract.

The committee approved the April and May 2021 Management Accounts and cash flow projections.

7. PROVISIONAL BUDGET 2021-22 AND FINANCIAL PLAN INCLUDING COMMENTARY AND 24-MONTH CASHFLOW FORECAST

The Director of Finance and Estates introduced the draft budget, noting that the projected EBITDA was £939K or 8.5% for the year 2021/22. After next year, the position was expected to be tighter as a result of increasing costs.

In response to questions from the Trustees, the Director of Finance and Estates said:

- she had been very cautious on lettings income. There was £15k of bookings for next term alone and so she was comfortable with the budgeted £30k figure. The new 3G pitch is in great demand;
- she was currently managing bookings with another member of staff but she was intending to recruit a lettings manager;
- the capital budget covered predicted IT expenditure and the new construction projects;
- the cash flow projection assumed that the College would not win its latest bid for CIF funding;
- the £300k IT expenditure reflected the impact of COVID and covered multi-year licenses, as well as hardware;
- the assumption of 1950 students reflected the capacity of the College. The Principal confirmed that new students would not be turned away.

The Principal noted that the picture of tightening finances over the next few years was typical of S7 colleges but Esher Sixth Form College was starting from a strong position.

The committee recommended the revenue and capital budgets, the financial plan and the cashflow projections to the Board for approval.

Action: Provisional Budget 2021-22 and financial plan including commentary and 24-month cashflow forecast to be circulated for the next Board meeting.

8. UPDATE ON PROPERTY STRATEGY AND RATIFY BUILDING PROJECT DECISION

The committee ratified its decision, taken by email on 26 May 2021, to proceed with two new build projects with a total cost of £1,686,00.

The Director of Finance and Estates informed the committee that contractors were ordering as many supplies as possible to manage extending lead times and reduce the risk that the projects would over run. There was, however, some leeway as the target project completion date was Easter 2022, but the buildings would not be fully used before September 2022. In response to a question about the burdens on the Director of having two projects to oversee, she informed the committee that the architect was very good and having the same builder tackling both buildings reduced the call on her time.

The Director of Finance and Estates informed the committee that there was a leak problem with the roof over the canteen which was having an impact on the workings of the College. Due to the urgency of the required repair, she had sought two quotes for the repair work – one from the

recently successful building contractor and one from a specialist roofing contractor. The latter was cheaper and would be able to do the work this summer. The committee agreed:

- with the Director's proposal that the specialist roofing contractor should be retained to repair the roof;
- with the Directors proposal that the specialist roofing contractor should be retained as the College's emergency roofing contractor for the next 3 years, subject to the expenditure with the contractor being less than £20k per year, and that any major work should be tendered; and
- that a specialist roof survey should be commissioned in the next academic year.

Action: The Director of Finance and Estates should commission a survey of the roof condition in the next academic year.

9. HEALTH AND SAFETY REPORT

The Director of Finance and Estates informed the committee that there had been 15 accidents this Academic Year, 9 students and 6 staff: 4 had been in the Art department and 5 in the PE Department. Normal maintenance and servicing activity continues, most recently with boiler maintenance and legionella testing. There had been a meeting of the Health and Safety committee on 19th May; the main item had been a reminder that teachers should leave classrooms as set up to minimise Covid risks.

In response to a question, the Director noted that a factor in some of the accidents had been the cleaners not putting out the proper signage; this had been addressed.

The committee thanked the Director for her briefing.

10. 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 explained that establishing the College's carbon footprint was something many Colleges were including within their annual accounts, so worth looking into.

The committee welcomed the Group's report.

11. ANY OTHER BUSINESS

In response to questions raised by an absent trustee, the Director of Estates and Finance informed the committee that:

- she had received quotes from Lloyds and Nat West for the cash holdings. She was proposing to keep £1 million at Lloyds for six months;
- the canteen was still operating a "grab and go" service and in the Director's experience, the contractors would need no more than a couple of weeks to establish a meat free Monday menu;
- an ex-gratia payment to staff of £650 each (pro rata for part time staff) had been agreed, at a total cost of £120k, in recognition of the staff's efforts during the COVID period.

12. DATE OF NEXT MEETING

It was agreed that the next meeting should be scheduled for Wednesday 24th November.

*The meeting closed at 7.08pm.
Attendance was 44 %.*

Signed.....

Date.....

SUMMARY OF ACTIONS

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.
F&E3-002	The Director of Finance and Estates should commission a survey of the roof condition in the next academic year.

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

C/S	Minute	Topic
C	7	<p>Provisional Budget 2021-22 and financial plan including commentary and 24-month cashflow forecast</p> <p>The Trustees scrutinised the detailed assumptions and projections underlying the provisional Budget, financial plan and cashflow projections.</p>
C	8	<p>Update on property strategy and ratify building project decision</p> <p>The Trustees agreed with the proposal from the Director of Finance and Estates to retain an emergency roofing contractor but with caveats regarding the total spend in any given year.</p>