



MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Held on Teams
Tuesday 22nd November 2022 at 6pm

Present:

Paul Collyer (Chair)	Declan Mason
Dan Hards (Principal)	Kate Parsons
Tim Oliver	Fran Stewart
Jane Duscherer	Mark Nelligan

Stephanie Wiles (Advising Officer)
Catherine Davies (Clerk)

1. REGISTER OF INTERESTS

There were no declarations of interests from Trustees.

2. APOLOGIES FOR ABSENCE

All Trustees were present.

3. MINUTES OF THE LAST MEETING

The minutes of the previous meeting of 29th June 2022 were approved as an accurate record.

4. MATTERS ARISING

There was an action arising from the last meeting:

F&E3-001 : The Director should seek quotes to put £500,000 of the funds maturing at the end of July, on deposit for 6-month, rather than a year, with Lloyds and £1m with NatWest and that the Director should seek to spread the funds across two banks, if possible.

The Finance and Estates Director explained that due to the unsettled economic climate she has delayed moving the funds to fixed rate deposit accounts.

Action: The Committee asked The Director to move £500,000 to a 6-month fixed rate account with Lloyds and review again in 6 months. The NatWest account which matures in January should be rolled forward for a further 6 months subject to sensible rates.

Action: The Director asked any Trustees who still need to action her request for ID to email the documents as soon as possible so that Financial Crime checks can be completed with various banks.

5. REVIEW OF MANAGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR YEAR ENDED 31 AUGUST 2022 INCLUDING RECONCILIATION TO THE FINANCIAL STATEMENTS.

The Director of Finance and Estates introduced the management accounts for year ended 31 August 2022. She made the following points:

- Income was in excess of £11m for the first time.
- EBITDA was £998k. There was a small loss of £7,466 after depreciation and the write off of fixed assets.
- The cash balance was £3,570,913 compared to almost £5m at the previous year-end. The decrease was a result of the capital spend on IT equipment and the buildings.

The Committee asked about the reserve adjustment on the Surrey LGPS. The Director explained there are a number of variables that affect the actuarial asset valuation of Surrey LGPS. Rather than focusing on the actuarial valuation the Director is concentrating on the possibility of a change of contribution rate by the College to the fund in the future. An actuarial valuation of Surrey LGPS is currently taking place with the results due later in 2023.

The Committee approved the Management Accounts, cash flow and commentary for year ended 31st August 2022.

6. DRAFT REPORT AND FINANCIAL STATEMENTS FOR 12 MONTHS ENDED 31 AUGUST 2022.

The Director of Finance and Estates introduced the draft report and financial statements for 12 months ended 31st August 2022.

The Director explained that these financial statements had been recently reviewed by the Audit Committee. The external auditors had an issue with auditing the Pension Scheme assets with a knock-on impact on Trustees ability to potentially sign the Letter of Representation. The external Auditors are now satisfied that the actuarial data is complete and they are able to sign off the accounts. The Director will email the Finance and Estates Committee with a small amendment to the accounting policy note in the accounts and the Report will then be issued to the Trustee Board.

The Committee thanked The Director and her team for her excellent work.

The Committee approved the Draft Report and Financial Statements for 12 months ended 31st August 2022.

7. REVIEW OF MANAGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR 2 MONTHS TO 31 October 2022.

The Director of Finance and Estates introduced the Management Accounts for 2 months to 31st October 2022. She made the following points:

- The General Fund (parental contribution collected at start of 6.1) may end up being £16k under budget. It is believed that the current economic climate has contributed to this shortfall.

Action: The Committee suggested that the marketing of the General Fund to parents is looked at again for the next academic year.

- Lettings income is higher than budget because the full term invoicing has already taken.
- Utility Costs are due to rise and there is no expected uplift in the funding rate so The Director is planning to reforecast the accounts during the Spring Term.
- The College is still on track for outstanding financial health this year.

The Committee discussed the pay rise % shown in the accounts. The Principal updated the Committee regarding his pay negotiations with the Union and feedback from the S7 colleges and asked the Committee for approval to action an interim pay rise for Teaching staff backdated to 1st September 2022.

The Committee approved the interim pay rise for Teaching staff backdated to 1st September 2022.

Action: The Principal will communicate this pay increase to the Union and teaching staff.

The Principal asked the Committee to consider a 1 off payment to all staff employed from 1st September 2022 (pro-rated) for the exceptional circumstance of the Outstanding in all areas Ofsted Report of September 2022. The Principal will communicate this payment to staff before the end of the Autumn Term.

The Committee agreed to the 1 off payment for exceptional circumstances to all staff employed from 1st September 2022.

Action: The Principal will communicate the 1 off payment for exceptional circumstances to all staff employed from 1st September 2022 to staff when appropriate.

The Committee approved the Review of Management Accounts, cashflow and commentary for 2 months to 31st October 2022.

The committee congratulated the College on the Outstanding Ofsted September 2022 Report and rating.

8. UPDATE ON ESTATES AND ENVIRONMENTAL COMMITTEE

The Director of Finance and Estates updated the committee as follows:

The Study Centre project is complete and the temporary classrooms have been signed off by Building Control and are in use. The Summer holiday refurbishments included resurfacing the front drive and fire door replacement. Future plans will be included in a Property Strategy that is being drawn up and will incorporate the targets in the Climate Action Plan. The College Environmental Committee recently met and a statement of planned and prior activity will be brought to the next Finance and Estates Committee meeting.

The Committee thanked the Director for her briefing.

9. HEALTH AND SAFETY REPORT

The Director of Finance and Estates informed the committee that there had been 11 accidents this Academic Year; none required notification to the HSE. Normal maintenance and servicing activity continues.

The Committee thanked the Director for her briefing.

10. INTERIM CLIMATE ACTION PLAN FOR THE ESTATE

The Director of Finance and Estates introduced the Interim Climate Action Plan.

Recommendations from the Plan include:

- Converting lighting to LED.
- Replacement of the roofs of the College Theatre and G block (following recommendation from the Roof Survey).
- Replacement of windows in Y Block . The windows (approximately 60) are old and don't allow for proper ventilation. Modern windows will help with both ventilation and insulation.
- Solar Panels for the new Theatre and G blocks roofs and existing Art and Psychology block roofs.
- Replacement of boilers in the Art and Psychology blocks with air source heat pumps.

CIF Bid

The roof and window replacements will form part of a CIF bid. It was recommended that the College contribution be approximately 32% of the total cost to gain maximum marks. The suggested cost of the 2 new roofs is £159,000 and the cost of replacing the windows may be around £160,000.

Salix Grant

The Director would like to apply for a Salix Finance (a public sector decarbonisation scheme) grant for 50% matched funding for the cost of solar panels on the Theatre, G block, Art and Psychology block roofs. The bid would also include the cost of installing air source heat pumps in the Art and Psychology blocks. The next window of opportunity for a bid is likely to be in the Spring of 2023.

The Director is meeting the cost of the LED lighting from the current capital budget and she highlighted that the boilers will need to be replaced in due course anyway.

The Committee agreed to recommend the CIF bid to the Board of Trustees for up to £150k college contribution or 32% of the total cost.

The Committee supported the idea of using capital expenditure in a move towards sustainability. The Committee recommended the use of a consultant to help the Director with the Salix Grant application process.

11. ANY OTHER BUSINESS

The Director of Finance and Estates asked for consideration of funding to draw up plans for the following as part of the College Property Strategy:

- Replacement of the temporary classrooms with a purpose built block
- Development of caretaker's house to include 2 flats.

The Committee concluded that this request will be re-considered at a future Finance and Estates meeting as the size of the College estate is directed by a number of factors including the target number of students on roll, as part of a broader Estates Strategy.

The Chair asked for clarification of the holding of Committee Meetings on Teams or in person and the Principal replied that this issue is due to be discussed at the Boards of Trustees Training morning on 23rd February 2023.

12. DATE OF NEXT MEETING

The date of the next meeting is Tuesday 14th March 2023 and will be held in person.

The meeting closed at 7.28pm

Attendance was 100%

Signed.....

Date.....

SUMMARY OF ACTIONS

1	The Committee asked The Director to move £500,000 to a 6-month fixed rate account with Lloyds and to review the NatWest deposit on maturity.
2	The Director asked any Trustees who still need to action her request for ID to email the documents as soon as possible so that Finance Crime checks can be completed with various banks.
3	The Committee suggested that the marketing of the General Fund to parents is looked at again for the next academic year.
4	The Principal will communicate an interim pay increase to the Union and teaching staff.
5	The Principal will communicate the 1 off payment for exceptional circumstances to all staff employed from 1 st September 2022 when appropriate.

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

C/S	Minute	Topic
S	6	The Committee thanked The Director and her team for her excellent work.
	7	The committee congratulated the College on the Outstanding Ofsted September 2022 Report and rating.
C	11	The Committee will re-consider further development of the estate subject to the development of an Estates Strategy.