

## MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Wednesday 26<sup>th</sup> June 2024 at 6.00pm  
Meeting held via Microsoft Teams

### Present:

Paul Collyer (Chair)  
Claire Douglas (Vice Chair)  
Tim Oliver  
Mark Nelligan  
Dave Roberts  
Liz Gilroy-Scott  
Dan Hards, Principal

John Thater (Guest)  
Stephanie Wiles, Director of Finance and Estates, (Advising Officer)  
Catherine Davies (Clerk)

### 1. REGISTER OF INTERESTS

There were no declarations of interest.

### 2. APOLOGIES FOR ABSENCE

Apologies were received and accepted from Anna Mawson.

### 3. MINUTES OF THE LAST MEETING

The Minutes of the previous meeting of 13<sup>th</sup> March 2024 were approved as an accurate record.

### 4. MATTERS ARISING

F&E2-001 – Clerk to ensure a Trustee attends the presentation on 6<sup>th</sup> June. **The presentation of tenders for building the new classroom block has been moved to 10<sup>th</sup> July and John Thater will attend to represent the Academy Trust Board.**

### 5. MANAGEMENT ACCOUNTS, PLUS FORECAST OUTTURN, CASHFLOW AND COMMENTARY FOR 8 AND 9 MONTHS TO 30.04.24 AND 31.5.24.

The Director of Finance and Estates introduced the management accounts for 8 and 9 months. She made the following points:

- The Teachers' Pension Grant should be received by the end of June but no remittance yet.
- Rates income was below budget and the claim was due to be submitted in June with income due in August.
- Adult Education was cost neutral.
- Interest income was above budget.
- Teaching salaries were below budget and support staff salaries were above budget. The Director outlined the over and underspending of salaries against the original budget.
- Curriculum costs were below budget and staff have been reminded of spending deadlines.
- Estates costs were above budget with a high level of spend in Health and Safety (fire doors and water treatment).
- EBITDA (Earnings before interest, tax, depreciation and amortisation) was on target against budget and the cash balance was healthy.

The Chair asked for more detail concerning the ESFA funding which was above budget. The Director explained this was due to the increase in the funding rate from £4,642 per student to £4,753 per student for this academic year. The increase was to fund the pay award, part of which had already been budgeted for by the College, part of why EBITDA for this academic year is above budget.

The Committee approved the April and May 2024 Management Accounts and cash flow projections.

## **6. PROVISIONAL BUDGET 2024-25 AND FINANCIAL PLAN FOR THE FOLLOWING TWO YEARS INCLUDING COMMENTARY AND 24 MONTH CASHFLOW FORECAST**

The Director of Finance and Estates introduced the draft budget, financial plan and 24 month cashflow forecast, noting the College should have Outstanding Financial Health this year and changing to Good for the remainder of the budget forecast period. This change is due to the assumptions:

- A slight drop in student numbers from 2078 for '23/24 to 2040 for '24/25 and rising to 2050 for '25/26.
- A low level of increase to the funding rate, (1.89% for 24/25 and then 0% for 25/26)
- Salary increases.
- Higher levels of inflation.
- Prudent expectations for lettings income.
- Reduced interest income as the cash reserve is spent.

A Trustee asked for more information concerning the change of rating from Outstanding to Good and the Director outlined the levels of surplus on EBITDA needed to achieve Outstanding (4%) and Good (1%).

A Trustee asked for more information regarding salary increase assumptions and the Principal replied that due to the upcoming general election it's difficult to predict future pay increases, and felt our assumptions were realistic.

The Committee discussed the sensitivity calculations and noted the changes in income linked to the number of students enrolled.

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

The Chair thanked the Director and her team for their excellent work.

## **7. UPDATE ON ESTATES PROGRAMME AND NEW CLASSROOM BLOCK**

The Director of Finance and Estates updated the Committee on the planned works this summer:

- Office moves to help with the impact of the new classroom block build in the Autumn.
- Refurbishing the Chemistry prep lab.
- Replacing fire doors in the Tower.

The tender documents for the new classroom block have been sent out and are due back imminently. The presentations to select a building company will be held on the 10<sup>th</sup> July and the ground works should start during the Summer break.

The temporary classrooms will be removed in the Summer of 2025 when the new classroom block is completed.

A Trustee asked for more information concerning the fire door replacement programme and the Director outlined the steps taken since the H&S report was issued by the external provider last Summer. The replacement of fire doors is being done with a list based approach over the next couple of years.

**HEALTH AND SAFETY REPORT**

The Director of Finance and Estates gave additional updates regarding improvements made since the Surrey Fire and Rescue visit and actions following the fire door survey includes, but is not limited to, improving fire door signage and training staff on how to evacuate the College buildings. A lockdown drill has taken place this year as well as several fire drills.

The Director of Finance and Estates informed the Committee that there had been 28 accidents this Academic year; none required notification to the HSE. Normal maintenance and servicing activity continues.

The Committee thanked the Director for her briefing.

**8. SUSTAINABILITY STRATEGY**

The Principal introduced the Sustainability Strategy which has replaced the existing policy. Feedback for the Strategy has been sought from stakeholders including staff and students.

The Chair thanked the Principal for his overview of the Strategy and the Committee discussed the intention of the College to become Carbon Neutral. The Director of Finance and Estates added that the Environmental Sustainability Group had not supported the College spending funds on carbon offset. The Principal agreed to include the intention of the College to become carbon neutral in the Strategy.

**Action:** The Principal agreed to amend the Sustainability Strategy to include the intention of the College to become carbon neutral.

The Committee recommended the Sustainability Strategy to Board for approval.

*(Clarie Douglas left the meeting)*

**9. DUKE OF EDINBURGH ICELAND TRIP 2021 UPDATE**

The Principal outlined the current position of the dispute.

**10. ANY OTHER BUSINESS**

The Director of Finance and Estates outlined a project to renovate the Caretaker's Cottage that is currently empty. There are 2 options, a standard renovation of the property so it remains a 3-bedroom home or the conversion into 2 flats. The flats could be used by an on-site caretaker and to help with the recruitment of a teacher in a subject of which there is a national shortage.

The Committee discussed the options available for the property and asked the Director to investigate the cost of converting the Cottage into 2 flats.

**Action:** Director of Finance and Estates to investigate the cost of converting the Caretaker's Cottage into 2 flats.

**11. DATE OF NEXT MEETING**

The date of the next meeting is Thursday 21 November 2024 (tbc)

*The meeting closed at 6.55pm  
Attendance was 87%*

Signed and date .....

**SUMMARY OF ACTIONS**

<b>1</b>	The Principal agreed to amend the Sustainability Strategy to include the intention of the College to become carbon neutral.
<b>2</b>	Director of Finance and Estates to investigate the cost of converting the Caretaker's Cottage into 2 flats.

**SUMMARY OF TRUSTEE CHALLENGE [C] / SUPPORT [S]**

<b>C/S</b>	<b>Minute</b>	<b>Topic</b>
S	6	The Chair thanked the Director and her team for their excellent work
C	9	The Chair thanked the Principal for his overview of the Strategy and the Committee discussed the intention of the College becoming Carbon Neutral.