Greenhead College Be exceptional

GREENHEAD COLLEGE CORPORATION Minutes of the Finance & Estates Committee meeting held in Room G17 Monday 14 February 2022, 4.30pm

Govs present: Chris Kneale; Craig Shannon; John Holroyd (Chair); Ian Lavan; Lisa Wilkinson; Richard Armstrong (Vice Chair); Simon Lett (Principal)

In attendance: John Blake; Sharon Roper (Clerk)

None

Apologies:

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies, chairing	JHO welcomed participants.	
2. Declarations	No declarations of pecuniary/prejudicial interest.	
3. Minutes 15/11/21	 3.1 Minutes 15/11/21, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing. 1. Item 3.2.2 (SLE) From Q&S committee re Security Report, action was to circulate report to anyone who wished to see it, not automatically send it to everyone. 2. CSH requested that the specific questions in the meeting be fully recorded in the future minutes. 	Clerk Clerk
	 3.2 Matters arising not covered on agenda: 1. Item 7.2, JHO asked about Aramark environmental health score, JBL confirmed they had revisited and scored 5/5. 2. Item 4.8, JHO asked about VAT free lettings income, JBL happy that no issue with VAT income from lettings. 3. Item 7.3, Draft Site Maintenance & Development Plan 2021-25, previously circulated, JBL to update with additional costs at next F&E 28/4/22. 4. Item 6, Data dashboard, JHO & SLE agreed Governor's SharePoint page would be updated regularly. 	JBL; Clerk re agenda
4. Spending Review	JBL summarised; 1. We will receive increased funding for high value courses – we do not yet have numbers for how many Page 1 of 5	
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	students this applies to. LWI questioned why there is	
	higher funding for STEM subjects, JBL addressed	
	this. LWI questioned why the plan to improve	
	drama/music/sports provision if lower income	
	receivable, SLE responded that a broad curriculum	
	and better facilities are essential. RAR stated that the	
	potential new build could also generate extra income	
	by letting out the facilities.	
2	Funding statement due this month, JBL estimates we	
	will receive an additional £2million year on year, JBL	JBL
	will circulate when received. Unsure if settlement will	0DL
	be inflation linked at this stage.	
з	We will receive an extra in-year funding this year of	
5.	£370,000 between March and July due to 7.3%	
	student numbers increase, JBL confirmed this was	
	extra funding responding to CSH question. RAR	
	noted if student numbers decline funding will follow,	
	not immediately, but in the following year.	
3.	Long term forecast, SLE expectation is that the staff	
	pay award will increase by more than 2%. JBL stated	
	that college will have to prepare next years budget	
	before pay increase is finalised.	
4.	JHO asked when the budget will be prepared, JBL	
	responded it will be prepared for June's meeting and	JBL
	must be submitted by the end of July.	
5.	JHO requested draft budget and updated longer term	
	forecast for the next meeting.	JBL
6.	CSH questioned the starting figures on the	
	projection, JBL confirmed the figures have	
	subsequently been updated and he will send	
	everyone a revised copy.	
7.	CSH asked detailed questions about the salary	
	figures and national insurance contributions, RAR	
	asked about staff salary increments, JBL to update	JBL
	assumptions spreadsheet and forward to committee	
	members. JHO requested a bullet point list of all	
	assumptions made be attached to the document.	
8.	RAR mentioned other income forecast remains at a	
	low level, JBL responded low level of catering profit	
	share expected next year and other income remains	
	flat. RAR questioned future lettings from the potential	
	new build, JBL replied that VAT would be payable on	
	entire building if let out and therefore a future	
	strategic decision required.	
9.	CSH asked what percentage of staff salary increase	
	would change the assumption on the potential new	
	build funding from a positive to a negative scenario.	
	In particular can the critical staff salary increase	
	figure be identified? RAR agreed and stated that the	
	supporting notes are equally as important as the	
	figures.	JBL
10	JHO stated lowest cash point is forecast to be in	
10	2025/26 and suggested that the sensitivity analysis	
	should look at how much costs need to rise to use up	
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	 the £1.4 million cash balance. 11. CSH pointed out that the analysis has assumed the reserves will be used for the potential new build and questioned what else might cash and reserves be required for. SLE confirmed that the existing building will also need additional expenditure. 12. RAR suggested a timeline is required for critical decisions such as a loan or a grant. JHO agreed that a road map should be prepared and reviewed at subsequent meetings. 	JBL JBL JBL
5. Accounts	 Committee considered December 2021 management accounts & narrative, main points included: 1. Financial Health score remains 290/300, outstanding. 2. As at December the operating surplus is £1.3 million. 3. Backpay has been made using £83000 received for additional tuition sessions. 4. We have also received 33 DfE laptops. 5. Aromark contract started and they're taking all the risk. Aromark to organise new payment devices. Catering funding has been received from free school meals and wisepay and catering expenditure will offset this. 6. Non pay expenditure, as expected, exam credits £118000 will offset expenditure. 7. Bank balance £3.5 million includes £1million on cash platform which will generate estimated £3000 income this year. 8. In audit undertaken on treasury management in January, auditor suggested don't limit investments in some individual institutions to £85000. RAR asked if there were other investment options on the cash platform, JBL confirmed more options on investments 12 months and over. CSH pointed out only need to keep the cash liquid if it's required. In response to RAR suggesting putting more on investment, JBL will look at this in March when the cash balance will be lowest and wants to take advantage of any interest rate increases. 	JBL
6. Budget	 Revised budget discussed, JBL explained that after 6 months additional pay has been added in although some staff have not started yet. Revised budget column includes the additional £370,000 received. Also non ESFA income received and Covid testing income. £26000 added to premises costs for payment to MACE. JBL stated that budget has included increased staff costs due to higher student numbers. RAR stated some increased staff costs were assumed in original budget and questioned which staff increases had originally been provided for. JBL said detailed additional staffing had been included on summary sheet circulated prior to meeting. LWI requested 	

	 that assumptions be added to spreadsheet to make them easier to understand. 5. CSH requested clarification of when staffing increases were agreed, RAR also requested a breakdown on the spreadsheet of the amount agreed in June/July, the further funding agreed in September and the in-year element caused by other factors. CSH pointed out that this cost will continue into subsequent years and staff absences should be budgeted for. 6. JHO suggested the additional column in the spreadsheet should only include specifically approved expenditure and should be supported by a list of what has been agreed to be changed. SLE asked about any reserve that had been built into the budget, JBL replied that this had now been removed. 7. JBL to prepare an incremental analysis based on the increase in student numbers, income on the previous 	JBL
	 budgeted figures and the staff costs attributed. LWI noted that the cost of accommodating 150 extra students must not outweigh any additional income. 8. JHO stated that additional information is required before revised budget can be agreed and this needs to be made clear in the corporation meeting 21/3/22. 	JBL
7. Capital Expenditure – boilers and fire safety	1.Issues experienced with false alarms on fire sensors, most of the sensors and control panel are over 15 years old and need replacing. Replacements are required in the old building and Conway building. The cost is approximately £20,000. Work can start at Easter but will be completed when college is closed in the summer.	
	2.Two large boilers are more than 25 years old, they heat half of the college and they need replacing. A heating consultant has recommended replacing with six smaller, efficient, gas boilers. The advantage to having more boilers is that as the college no longer needs them, capacity can be reduced and they can be turned off. The boiler room has asbestos which needs removing. The total cost of asbestos removal, sensors and boilers is £150,000. Asbestos removal to begin in May and the boilers will be fitted in the summer holidays. LWI asked about disruption to students taking exams in May, JBL replied that they will be unaffected and the works will be fully risk assessed. JBL confirmed work to begin in May when the heating can be switched off and will be finished in August. The £150,000 spend on boilers is included in the annual maintenance report. The heating consultant will put a tender out and information and actual cost will be available after this. RAR stated that if additional budget is required, it will have to come back to the committee. JBL confirmed that sustainability options have been considered in reply to LWI environmental consideration question. Page 4 of 5	

	JBL to send out initial recommendations from heating consultant to committee members.	JBL
8. Environmental Sustainability	 Replacement of boiler (item 7), sustainability has been considered. SLE noted that an environmental working group will be set up and any proposed expenditure will come to F&E 	
	committee. 3.RAR stated that when contracts are awarded, sustainability will need to be a consideration.	
9. Covid risks & mitigation	Nothing additional on this occasion.	
10. Policies	 Reserves Policy (minutes 4.6) – JBL to update. Redeployment – JNO to update. Fees & Charges – JBL to update. RAR – clerk to list dates of policies to renew on agenda. 	JBL Clerk
11. АоВ	1. SLE stated that SLT have reviewed HOD allowances, add to agenda at next meeting. Invite Jess Norcliffe to meeting.	Clerk
	2. Announcement by government of new Elite 6 th Forms, add to remit of Capital Development Committee, clerk to add to their agenda.	Clerk
12. Confidentiality	No confidential aspects identified.	
17. Date next mtg	Thu, 28 Apr, 4.30pm	

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 18/2/22

Approved & signed by Chair, Richard Armstrong on 28/4/22