



GREENHEAD COLLEGE CORPORATION
Minutes of the Finance and Estates Committee Meeting
held on Monday 18th November 2019 at 3.30pm in G17

Present: Richard Armstrong* (Chair), Sue Douthwaite*, Chantal Forrest*, Simon Lett* (Principal), Craig Shannon*

In attendance: John Blake (Director of Finance & Resources), John Holroyd (Observer), Julie Polzin (Minute Clerk)

* *Governor*

Meeting began: 3:30pm
Meeting closed: 5:00pm
Quorum: 3 Governors including Principal as Accounting Officer
Attendance: 100%

The Chair (RAR) welcomed John Holroyd, a new governor awaiting ratification at the December meeting of the Corporation.

1. Apologies for absence

No apologies were received.

2. Items for discussion under Any Other Urgent Business

No additional items were identified for discussion under any other urgent business at agenda item 12 below.

3. Declaration of pecuniary / prejudicial interest

Committee members were invited to declare any direct, indirect, pecuniary, personal or prejudicial interest relating to any item on the agenda for the meeting. No interests were declared.

4. Minutes of previous meeting (23/09/19)

4.1 In the absence of the Clerk to the Corporation, the minutes were unavailable at the meeting. The Chair (RAR) had obtained a draft copy and, once amended, would circulate to members by email.

Action: Chair (RAR) to email draft minutes to committee members.

4.2 Matters arising

DFR (JBL) had not yet transmitted a version of the updated Financial Regulations to committee members for clearance.

Action: DFR (JBL) to email updated Financial Regulations to committee members.

5. Feedback from Diagnostic Assessment

Two FE Commissioners visited College last week; the visit was entirely finance-focussed. Their report is expected within five working days although they had provided some verbal feedback to the Principal (SLE). SLE confirmed that the College is in a much better financial position than the same time last year, staff and unions are accepting of the new structure and there has been no negative impact on students. The Commissioners raised concern that past investment in teaching and curriculum had come at a cost to the estate and growth of support staff (particularly finance and MIS teams). It is anticipated that the funding increase will alleviate this situation and is likely to help fund capital investment. CSH was invited to give his feedback; overall, he felt it was a helpful visit. It is likely that the FEC will follow-up with a telephone call in the spring/summer term to ascertain responses to the recommendations.

6. Financial reports and budget monitoring (2019/20)

The Director of Finance and Resources (JBL) provided further detail regarding the previously circulated September management accounts and accompanying commentary. The following points were noted:

- Once the pay award has been agreed, this will be backdated to the beginning of September.
- There are no issues with regards to sickness; three maternity covers in place.
- Performance Indicators are encouraging.
- Budget Surplus stood at £340,000.
- Contingencies for £50k and £100k did not show in the Budget – agreed this was an error in presentation.
- Still awaiting ALS funding from Calderdale.

Action: DFR (JBL) was asked to improve the narrative in future reports and within the supporting spreadsheet to make clearer the negatives as well as the positive current expenditure for clarity.

7. Funding update (2020-21)

To receive an uplift of £188/student. Currently funded for 2,510 students, which will equate to £471,880. However, there is no evidence as yet as to whether this funding will go forward in future years.

Two new initiatives will also benefit College:

- A High Value Course Premium awards a further £400 uplift for all students studying two STEM subjects – this will affect 1191 students giving additional income of £476,400.
- Increased weighting of £418/student will be awarded for courses requiring increased resources, giving additional funding of £415,000 (993 students).

The three elements will generate increased funding of £1.361m from August 2020, although this may be dependent upon the outcome of the forthcoming election. A funding statement is due in March 2020; this should give clarity on whether this extra funding will continue.

Q: Are we still considering academisation?

A: Still under review

Q: Staff costs currently 77%, compared to 79% last year. Why is there not a greater reduction in light of the recent restructure?

A: Only one month in so not yet had any effect. Also affected by increase in NI contributions starting in September

Q: Why had the increase in NI contributions not been accounted for?

A: Timing effect – matching exercise.

Action: The Director of Finance and Resources (JBL) to provide further details to Governors ahead of the strategy meeting.

Comment: The Committee agreed they had difficulty in interpreting the financial information presented and asked the DFR (JBL) to consider having a single consistent set of staff budget ratio measures and clearer narrative on the forecast spend against budget for Corporation meetings. .

Action: DFR (JBL)

8. Premises and Estates Report

8.1 Greenhead Masterplan update

The Director of Finance and Resources (JBL) presented the design document produced by DarntonB3. Chris Sparrow is to attend the beginning of the meeting next week to talk it through in more detail.

JBL had liaised with ACOM re costs for phase I and II. They had quoted £2300-£2800 sq/m to include professional fees, demolition and planning costs. They had been asked to consider both a three storey and two storey build with option of traditional or modular design. JBL had asked them to produce a sliding scale of costs dependent on additional numbers of students. They are to report back on Monday.

JBL explained CIF's view on amount of contributions expected.

Comment: In the forthcoming Strategy discussion there was a need to concentrate on phase I and II build options as well as proposals to look into utilisation of current buildings by way of a space utilisation study.

8.2 Catering update

JBL had met the consultant. Eight companies had expressed an interest in outsourcing. This had been narrowed down to four catering providers. The consultant had advised we may get £100-£150k capital investment on top and that similar institutions had a guaranteed income of £100k/yr. JBL is meeting the consultant again on Friday to go through the tender process. Hoping plans will be in place by Easter in order for capital work to be completed over summer, with a view to provision being open in September 2020. Catering staff had been assured that their jobs and pensions are safe.

Q: When will Governors be shown tenders?

A: Possibly in February.

Action: *JBL to produce timescales for Governors at their meeting on 2/12/19.*

8.3 Report on server replacement and recent outages

New server had been sourced and replaced and was now up and running. It carried a five year guarantee and was covered by a maintenance agreement.

The Network Manager (RLY) had looked at areas of cloud storage and felt it was not appropriate at this stage because of cost.

Comment: The Chair (RAR) registered a number of governors disappointment that the offer by Katie Mallinson re cloud storage had not been taken up.

Q: RAR asked the cause of the recent IT problems.

A: JBL advised that it was migration of work from the main building to the Rostron server which had caused the Rostron server room to overheat. By means of improved air conditioning, the matter had now been resolved.

Action: *SLT to ensure that Governors and students are pre-warned of any IT shutdowns and when they are expected to be resolved.*

9. Staffing update

The Director of Finance and Resources updated the Committee as follows:

- An agency member of staff employed to manage Moodle would be leaving at Christmas. He has been replaced by two members of staff.
- The Head of Biology is returning from sick leave on a part-time phased basis after Christmas.
- The HR Manager is returning from maternity leave after Christmas.
- A Chemistry teacher is returning from maternity leave in spring.
- An English teacher is returning from maternity leave in summer.
- A Kitchen Assistant on long-term absence is likely to take ill-health retirement.

Items 10 and 11 were deferred to the next meeting on 27th January 2020.

10. Any Other Business

No additional items were identified at agenda item 2 above for discussion under any other business at this point in the agenda.

11. Confidentiality

None of the items discussed was deemed to be confidential

12. Date of next meeting

Monday 27th January 2020 at 4:30pm in the Principal's office.

Signed off by Richard Armstrong, Chair, at Finance & Estates Committee 27/1/20 with amendments (numbering of mins 10, 11, 12) marked in green