



GREENHEAD COLLEGE CORPORATION

**Minutes of the Finance & Estates Committee meeting held virtually using Teams
Monday 8 February 2021, 4.30pm**

Govs present: Abby Barraclough (to 5.50pm); Craig Shannon; Ian Lavan; John Holroyd (Chair); Lisa Wilkinson (Associate); Richard Armstrong; Simon Lett (Principal)

In attendance: John Blake; Ian Leedham (Clerk)

Apologies: none

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies	JHO welcomed participants and new members ILA & LWI specifically. No apologies.	
2. Declarations	No declarations of pecuniary/prejudicial interest.	
3. Minutes 23/11/20	3.1 Minutes 23/11/20, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing. 3.2 Two matters arising not covered on agenda: 1. 23/11/20 min 4.2 (Financial Health status): JBL has prepared update for Committee – see min 4.2 below 2. 23/11/20 min 11.2 (ESFA new contact): SLE to follow up Ann Marie Edwards to begin a conversation.	Clerk SLE
4. Financial update	4.1 JBL explained December management accounts delayed & will be available for F&E members by 15/2/21 (November accounts, previously circulated, had been discussed at Corporation last week, 1/2/21). JBL pointed out that this year's submission of ESFA Integrated Financial Model (newly introduced in Feb 2020) delayed to Jul 2021 (at which point College will be much clearer on year-end figures). RAR asked about scheduling of ESFA annual meeting – JBL unsure but will check. 4.2 JBL screen-shared and Committee discussed a presentation on Financial Health status, showing a 4-year improving trend on each of liquidity, profitability, and borrowing. Status 2019/20 Good (210/300 points); set to be 2020/21 Outstanding (290/300). 4.3 Responding to initial CSH reflections, Committee discussed profits/surpluses in context of College's need to cover costs (including any lost income) and particularly to fund necessary level of investment in infrastructure as part of a strategic view of what College's finances should look	SLE>JBL

	<p>like, what level of reserves is appropriate, and how to deal with any surpluses (including College top-up to DfE capital funds in respect of related & wider infrastructure investment). Agreed need to find a balanced/equilibrium profitability level in this regard and balance the needs of the short term with the longer term requirements. To be discussed at F&E 26/4/21 (building on Chancellor’s March statement, details of grant 2021/22, and College’s emerging capital investment priorities), informed by a sensitivity analysis and benchmarking data on (1) college sector reserves (JHOL-JBL) & (2) teacher/all costs (SLE to follow up Ann Marie Edwards ESFA). Min 7, Reserves Policy, relates.</p> <p>4.4 JBL presented and Committee discussed spreadsheet, previously circulated, on effects of COVID on forecast outturn. As of now, COVID has added c£90k to available budget, and this has effectively masked additional staffing costs, as agreed by Corporation (including COVID testing team leader). Agreed that variances against the control budget need to be clearly flagged up in the monthly management accounts (including e.g. by means of an additional spreadsheet column and text commentary), going forward – JBL to consider/action.</p> <p>4.5 Related discussion of catering income, prompted by LWI questions: Aramark contract (including financial model) to be finalised and agreed (min 9.1 relates), with intention that, once students can return, erosion of profits over past few years will be reversed and a share of surpluses will be available to College to reinvest in other priorities. Agreed JBL to send Aramark proposal to LWI via Clerk.</p>	<p>Clerk re agenda</p> <p>JHOL/ SLE>JBL SLE</p> <p>SLE>JBL</p> <p>JBL>Clerk> LWI</p>
<p>5. Capital development update</p> <p>[ABA departed 5.50]</p>	<p>5.1 DfE formal announcement welcomed by Committee. JBL explained that Contractors (Galliford Try) are having discussions with Planners and are looking at potential to change DfE/Mace control option, partly to potentially avoid need for temporary classrooms, thereby saving time, money, and disruption, possibly with money saved being available for reinvestment into related College infrastructure priorities. Interface with sports hall plans is a concern. SLE added that series of partner planning meetings are scheduled over coming few weeks.</p> <p>5.2 Committee discussed, including views in support of the control option and in support of avoiding need for temporary classrooms if possible. Specific concerns in relation to circulation routes and sports hall in Galliford Try model; also view that it is very unlikely that any money saved could be reinvested for the benefit of the College. Committee agreed it is essential that College’s specification of what it wants is central stage in discussions with Galliford Try and other partners. Linked to this, RAR reiterated his longstanding</p>	

	<p>point about 16-19 population growth meaning that Planners will increasingly come under pressure from local politicians, who need to deliver increased capacity).</p> <p>5.3 Meeting with Galliford Try, Mace, and other partners tomorrow 9/2/21; RAR, SLE, JBL attending. Should bring greater clarity, including in relation to Mace's overdue costings information (JBL explained this has been delayed in context of Galliford Try exploring alternative options).</p> <p>5.4 In context of additional College investment, JBL advised that a Sixth Form Colleges' Capital Fund is due to be announced soon – based on experience with a technical colleges' fund, RAR suspects a significant, probably c50% College contribution would be needed – details expected to be published within next 7-10 days.</p>	RAR/SLE/ JBL note
<p>6. COVID risks & mitigation</p>	<p>JHOL thanked SLE for his regular COVID-related updates, and RAR did likewise regarding progress with the COVID testing regime. JBL reported on three aspects of external assistance: (1) upcoming additional monies to support testing costs & other aspects; (2) in process of ordering College's allocation of 437 laptops from Govt Help With Tech programme, for loan to eligible students; (3) College can apply for 4G routers with SIM cards for eligible students.</p>	
<p>7. Reserves Policy draft</p>	<p>7.1 JBL introduced and Committee discussed first draft of a new Reserves Policy, previously circulated, as recommended by Internal Audit in Autumn-1 and based on practice of other colleges. Policy should specify what reserves should be used for (primarily capital infrastructure investment as per min 4.3 above) and also what they would not be used for. SLE asked whether this is a public domain policy – reserves statement to be included in Corporation annual report – JBL to check whether policy itself needs to be or should be public. CSH argued that policy needs to specify a quantified level of reserves that College is aiming for, for specified purposes (e.g. to fund a rolling investment plan), taking into account Corporation's risk position. A technical annex could specify the basis upon which reserves would be committed each year.</p> <p>7.2 Committee agreed to revisit once there is greater clarity on College's emerging investment priorities and benchmarking data (min 4.3 relates), in time for F&E 26/4/21. Policy, once developed, would be taken to the next available Corporation meeting for adoption.</p>	<p>SLE>JBL</p> <p>Clerk re agenda</p>

8. Existing policies	No existing policies to review/refresh on this occasion.	
9. Catering, cleaning, premises, estates update	<p>JBL updates on catering, cleaning, estates:</p> <ol style="list-style-type: none"> 1. Catering. JBL to meet College's catering consultant 12/2/21 to consider latest draft Aramark contract (including financial model) with a view to finalising and signing-off. TUPE process underway; Group & 1:1 meetings shortly; Aramark induction process planned (Aramark to meet staff once they return to College). 2. Cleaning. Tenet procurement partners to identify potential tenderers; to update at F&E 26/4/21. 3. Estates. Both an IT strategy and whole-site maintenance plan will be developed, both informed by and feeding in to the proposed capital development (IT strategy on agenda for Corporation 15/3/21). 	<p>Clerk re agenda (Clerk note)</p>
10. AoB	None.	
11. Confidentiality	Confidential aspects taken into account in drafting these minutes.	
12. Date next mtg	JHOL thanked Committee including new members specifically. Next F&E Committee Mon 26 Apr 2021, 4.30pm.	Govs note

Minutes prepared by Ian Leedham (Clerk to the Corporation) on 22/2/21

Signed off by John Holroyd, Chair, at Finance & Estates Committee 26/4/21