



GREENHEAD COLLEGE CORPORATION

**Minutes of the Finance & Estates Committee meeting held virtually using Zoom
Monday 8 June 2020, 4.30pm**

Govs present: Chantal Forrest (from 4.35pm); Craig Shannon; John Holroyd; Richard Armstrong (Chair); Simon Lett (Principal)

In attendance: Abby Barraclough (observer status); John Blake; Ian Leedham (Clerk)

Apologies: none

AGENDA ITEM	DISCUSSION	ACTION
<p>1. Welcome, apologies, declarations</p>	<p>RAR welcomed all including ABA who is attending in observer capacity. No apologies. No declarations of pecuniary/prejudicial interest.</p>	
<p>2. Minutes 9/3/20</p> <p><i>[CFO arrived 4.35]</i></p>	<p>2.1 Minutes 9/3/20, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing.</p> <p>2.2 Matters arising not covered on agenda:</p> <ol style="list-style-type: none"> 1. (9/3/20 min 4.2.2, ESFA Integrated Financial Model): John Blake reported budget & forecasts submitted, despite this being challenging process due to problems with form and information gaps at this stage in financial year – led to Requires Improvement grade – should improve July 2020 & July 2021 – the above fits with John’s financial picture 2. (9/3/20 min 6.3, Association of Colleges financial model): discussed SLE-JHO but not yet taken forward with John Blake; will keep under review. 	<p>Clerk</p>
<p>3. COVID risks & mitigation</p>	<p>SLE verbal update on latest picture, in context of DfE updated guidance published at half-term, including:</p> <ol style="list-style-type: none"> 1. Risk Assessment updated, has gone to union reps, will be published on website, Clerk to circulate to all Governors and ensure it features on Committee agendas 2. priority/targeted students identified and will be contacted 9/6/20 in respect of coming in to College from 15/6/20 – 300-400 students in total, at 50-60 per day on site 3. more students could be invited subsequently 4. site and staff preparations well underway 5. CFO asked about face coverings – SLE referred to guidance that this is not mandatory or recommended, but is a voluntary measure 6. discussion of additional risks facing BAME staff and students and whether additional measures should be targeted (RAR view) or universal (CFO view) 	<p>Clerk</p>

	<ol style="list-style-type: none"> 7. CSH asked how adherence to the requirements, especially social distancing, would be monitored – SLE pointed to classroom monitoring and steps taken to minimise risk e.g. fewer lessons, one way system, smoking area decommissioned, adaptation of existing policies to include mitigate risks 8. plan to be reviewed on a week by week basis in light of Government updates and College experience. 	
<p>4. Financial update</p>	<p>4.1 Discussion of April management accounts (spreadsheet & narrative), previously circulated, as per those discussed at Corporation 18/5/20:</p> <ol style="list-style-type: none"> 1. depreciation line amended on basis of JHO feedback 2. JHO question about increase in licensing costs – discussed 3. catering staff furloughed (given that catering operates like a separate business) – will amount to c£20k extra income 4. confident of a c.£386k+ surplus 5. ESFA income unaffected by COVID. <p>4.2 Discussion of draft budget 2020/21 (spreadsheet & notes), previously circulated:</p> <ol style="list-style-type: none"> 1. should end financial year with £2m in bank and outstanding financial health grading 2. staff costs to income ratio should reduce to c.70%, nearer sector average 3. catering income difficult to predict; might have to revise it down (min 6 relates) 4. would be sensible for teaching staff pay award to be +2.5% rather than current 2% - John Blake to change 5. RAR questioned reduction in library staff hours – John Blake explained this is an error and he will revert to previous level 6. JHO questioned whether contingency should be retained at previous level – John Blake argued that increase in supply budget covers this – RAR argued that showing contingency as a single budget line could be helpful, to retain flexibility in its deployment 7. budget to be revisited Autumn term in light of staffing requirements etc at that point 8. John Blake concerned that ESFA income level only confirmed for one year and could be potential cuts 2021/22 onwards – will keep eye on Autumn Statement & FE funding statement Mar 2021 – being cautious in budgeting in meantime. <p>4.3 Discussion of 'Key Aims' (in Budget 2020/21 Summary; £2m, 70% ratio, etc):</p> <ol style="list-style-type: none"> 1. CSH argued these aims need to be explicitly agreed 2. RAR explained justification: contingency reserve, capital development contribution; increase investment in non-staff & non-teaching infrastructure, to tackle under 	<p>John Blake</p> <p>John Blake</p>

	<p>investment and bring more into line with sector averages (RAR related point: need to keep Committee up to date with sector benchmarking data as this changes over time)</p> <ol style="list-style-type: none"> 3. John Blake to clearly set out above justification in Budget Summary document 4. in response to JHO question – no issue showing such a positive budget, given above justification. 	John Blake
<p>5. Capital Development update</p>	<p>5.1 John Blake updated on visit from DfE Project North team (focusing on buildings in serious need of repair):</p> <ol style="list-style-type: none"> 1. had tour of all buildings (an AA Projects colleague also attended) 2. concluded that hall, kitchen, and sports hall need replacing (as well as science block; existing plans were well received) 3. DfE technical advisors to visit July 2020 4. Priority Schools Programme funding and College capital funding programme announcements expected Autumn 2020 (also possible that c.£50m unspent PSP phase 2 monies might be available); noted that in past DfE has funded whole projects. <p>5.2 The above points to a potential two phase building replacement approach. Asif (AA Projects) Estates Plan work is restricted to the pre-existing capital development; SLE has requested meeting with him (& Mo Bunter, John Blake) to push this forward prior to next Capital Development sub-committee meeting 18/6/20. RAR requested update on progress & (phased) capital development plans for Corporation meeting 6/7/20.</p> <p>5.3 SLE pointed out that College Strategic Plan needs to be revised in above context. Linked to this, he proposed a Governors’ strategic development session in Autumn term.</p>	SLE, John B; clerk re agenda
<p>6. Catering update</p>	<p>Intention had been for capital works to be undertaken over summer holiday 2020 with Aramark starting delivery from 1/9/20. However, in COVID context it has been agreed that Aramark will take over contract Jan 2021 on existing service footprint, with capital works deferred to summer holiday 2021, full contract operational Sep 2021. For this to happen, staffing transfer will be discussed with staff/unions June/July 2020 and then progressed Autumn 2020 – John Blake to contact union rep. In response to question from RAR, it was confirmed that new staff will be employed on Aramark terms & conditions – RAR keen to compare College/Aramark terms & conditions prior to union discussions. Contract costs remain the same at this point: Aramark will monitor income Jan-Jul 2021; could then be financial re-negotiation prior to full contract start Sep 2021.</p>	John Blake

7. Monthly budget monitoring report format	<p>7.1 Discussion of desired reporting format, building on recommendations made in internal audit draft report on budgetary control, previously circulated (which has yet to be considered by Audit & Risk Committee). RAR, CFO accepted the specific audit recommendations (noted CFO would like to see summary of key issues, positives, negatives, etc); CSH pointed out that target implementation dates do not dovetail with College annual financial cycle.</p> <p>7.2 Agreed JHO to work with John Blake to align with College financial cycle and make report more accessible to non-financial people.</p>	<p>JHO & John Blake</p>
8. Policies	<p>No policies to review on this occasion.</p>	
9. AoB	<p>No urgent AoB.</p>	
10. Confidentiality	<p>Notes of upcoming discussions of catering developments with Unions (min 6) are confidential at this stage.</p>	<p>Govs note</p>
11. Date next mtg	<p>To be arranged in new academic year, as part of meeting schedule that Clerk will prepare for Corporation 6/7/20.</p>	<p>Clerk</p>

Minutes prepared by Ian Leedham (Clerk to the Corporation) on 15/6/20

Signed off by John Holroyd, Chair, at Finance & Estates Committee 7/9/20