



**GREENHEAD COLLEGE CORPORATION**  
**Minutes of the Finance & Estates Committee meeting**  
**Monday 23 November 2020, 4.00pm**

**immediately followed by joint meeting with Audit & Risk Cttee and auditors, 5.00pm**  
**held virtually using Teams**

**Govs present:** Craig Shannon; John Holroyd (Chair); Richard Armstrong; Simon Lett (Principal); Richard King (A&R Committee); Abby Barraclough (Observer status)

**In attendance:** John Blake; Ian Leedham (Clerk)

**Apologies:** none

**+ additional A&R joining from 5.00pm:**

**A&R Govs:** Alison Jones; Mark O'Connor (from 5.05pm); Michelle Wheatcroft; Jo Nowacki (Associate Gov)

**Auditors:** Mike Benson (Murray Smith); Nicola Tucker (Murray Smith); Rosalind Armstrong (AuditOne)

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>1. Welcome, apologies</b>	JHO welcomed participants. No apologies. Clerk noted that Sue D had resigned her Parent Gov position (on 16/11/20).	
<b>2. Declarations</b>	No declarations of pecuniary/prejudicial interest.	
<b>3. Minutes 7/9/20</b>	Minutes 7/9/20, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing. No matters arising not covered on agenda.	Clerk
<b>4. Financial update</b>	<p><b>4.1</b> Discussion of audited accounts and latest management accounts, previously circulated.</p> <p><b>4.2</b> LGPS 'big hit' pushed College into deficit (at level of minus £128k). ESFA disregards LGPS hit for purposes of calculating the College's <i>Financial Health</i> status; College currently in 'Good' financial health moving towards 'Outstanding' in 2021/22 if the annual budget is achieved.</p> <p><b>4.3</b> JBL, referring to latest October management accounts, highlighted operating surplus of £1.5m compared with £1.1m this time last year and liquidity ratio of 2.4% compared with 1.5% a year ago. There is an anticipated year end cash balance of around £2m.</p> <p><b>4.4</b> CSH urged caution in interpreting the reduction in 'staff costs to income ratio' to 70%, on the basis that increased income sector-wide will reduce pay costs percentage</p>	SLE/JBL note

	across the sector, and argued for further analysis of this.	
<b>5. Budget 2020/21</b>	<p><b>5.1</b> JBL summarised key points from budget 2020/21, as previously circulated (and previously considered at F&amp;E meetings on 8/6/20 &amp; 7/9/20), highlighting uncertainties in teacher pay settlement and intention to add to reserves to fund potential capital investment (over &amp; above DfE capital scheme) in future. CSH sought, and SLE gave, clarification that budget surplus will be earmarked for potential capital investment and/or to meet increased bottom line costs, rather than appearing unutilised. Further, CSH argued that a rolling list of costed investment priorities would be useful going forward, as an aid to decision making in various financial scenarios. JBL to address, and to explain to Corporation that College is developing a plan for how surpluses will be used.</p> <p><b>5.2</b> Subject to points above, the budget, as presented, was approved by Committee – will now seek ratification at Corporation 7/12/20.</p>	<p>JBL</p> <p>Clerk re agenda</p>
<b>6. Financial KPI's 2020/21</b>	Committee noted Financial KPIs 2020/21, as previously discussed.	
<b>7. Capital development update</b>	<p><b>7.1</b> Mace/DfE had meeting with Planners 20/11/20. Meeting being arranged between Capital Development Group &amp; Mace to discuss questions worked up by the Group (<i>subsequently arranged for 26/11/20</i>). JBL to update Committee in due course.</p> <p><b>7.2</b> College needs to have press release ready for when named as a DfE programme site (later this week; SLE &amp; RAR have signed a MoU with DfE to make sure College included in DfE announcements). CSH keen that this addresses common questions that stakeholders will ask, including prospective parents who may be concerned about the impact of temporary accommodation as part of significant building works. SLE pointed out that S.L.T. has started to consider appropriate messaging in this context.</p>	<p>JBL</p> <p>SLE</p>
<b>8. Catering, cleaning, premises, estates update</b>	<p><b>8.1</b> Catering. Transfer to Aramark delayed to Easter 2021. Aramark faces pressures and uncertainties caused by both COVID and DfE scheme and so could be facing deficit in Summer Term; College needs to be flexible; JBL to update Committee as picture develops. Aramark will use range of mobile/outdoor catering outlets, and this will be supported by DfE scheme.</p> <p><b>8.2</b> Cleaning. College to use existing procurement</p>	JBL

	<p>framework to enable mini-tender exercise in similar vein to previous catering one – JBL hopes to have further updates before Christmas.</p> <p><b>8.3 Premises.</b> JBL commented very favourably on the new Premises Team and its impact (including e.g. reduced joinery contractor costs).</p>	JBL
<b>9. COVID risks &amp; mitigation</b>	Committee thanked SLE for his regular COVID-related updates. Noted that COVID Risk Assessment is reviewed weekly.	
<b>10. Policies</b>	No policies to review on this occasion.	
<b>11. ESFA letter</b>	<p><b>11.1</b> Committee noted previously circulated ESFA letter 3/11/20 stating that (financial) Early Intervention has ended.</p> <p><b>11.2</b> SLE pointed out that one of College's ESFA contacts is new (Ann Marie Edwards); she would like a conversation with this Committee as part of annual conversations that ESFA is to have with all colleges, going forward.</p>	
<b>12. AoB</b>	Barclays loan. This Committee previously endorsed renewal of Barclays loan for coming 5 year period (F&E 7/9/20 min 5.3, these minutes agreed in min 3 above), and reiterates this now. Further, Committee authorises SLE/JBL to sign the relevant Barclays documentation, to ensure loan can be drawn down quickly.	
<b>13. Confidentiality</b>	Confidential aspects taken into account in drafting these minutes.	
<b>14. Date next mtg</b>	F&E Committee Mon 8 Feb 2021, 4.30pm.	Govs note
<b>JOINT MEETING</b>	<p><b>Joint meeting with Audit &amp; Risk Committee and auditors, 5.00pm, to consider External Audit Report 2019/20 and draft Corporation Annual Report 2019/20, both previously circulated</b> (these Joint Meeting minutes are replicated in A&amp;R Committee minutes).</p> <p><b>Joint-1.</b> Nicola T introduced and summarised External Audit Report 2019/20. Key audit points included:</p> <ol style="list-style-type: none"> <li>1. happy to sign off audited accounts, subject to a couple of tidy-up items to finalise with JBL</li> <li>2. renewal of Barclays loan to be actioned in order that</li> </ol>	

