

GREENHEAD COLLEGE CORPORATION
Minutes of the Finance & Estates Committee meeting held in Room G17
Monday 11 October 2021, 4.30pm

Govs present: Chris Kneale; Craig Shannon; John Holroyd (Chair); Lisa Wilkinson (to 6.29pm); Richard Armstrong; Simon Lett (Principal)

In attendance: John Blake; Ian Leedham (Clerk)

Apologies: Ian Lavan

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies, chairing	JHO welcomed participants. ILA apology noted. Members confirmed unanimous support for JHO's continuation as Chair into this new academic year.	
2. Declarations	No declarations of pecuniary/prejudicial interest.	
3. Minutes 8/7/21	Minutes 8/7/21, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing. No matters arising not covered on agenda.	Clerk
4. Financial KPIs 2021/22	Committee confirmed agreement of financial KPIs 2021/22, as per sheet previously circulated by JHO 27/9/21, included in Principal's Report to Corporation 4/10/21, and re-circulated prior to today's meeting. Discussion points: 1. RAR: aim should be to reverse decline in non-ESFA income – hiring out new sports hall & pitches (including Highfields) could help– responding to LWI question about security , JBL pointed out that college-based facilities would have a separate, secure entrance 2. VAT treatment of catering income, in response to JHO question about VAT registration (noting VAT threshold is £85k) – Aramark accounts for VAT in its own VAT accounts – JHO felt VAT could be a risk area, especially as overall external income increases – agreed JBL to review and report back to next meeting 15/11/21.	JBL; Clerk re agenda
5. Financial update	Committee considered July 2021 management accounts & narrative, both previously considered at Corporation 4/10/21 and re-circulated prior to this meeting. Main points included: 1. Teachers' Pay Award 2021/22 of 1% has been signed-off; 2% built into budget, giving saving of £80k, whilst increase in Employer's NI from April 2021 adds c£90k to budget – JBL to update accounts accordingly	JBL

	<ol style="list-style-type: none"> 2. auditors now able to work with College in finalising 2020/21 end-year accounts, in time for consideration at F&E 15/11/21 and then sign-off at Corporation 6/12/21 3. discussion of increased 'high value courses' funding, pension deficit, general reserves, surplus projection, net total assets; significantly improved against previous year 4. JBL explained that Teachers' Pension Fund and other staff pension fund (West Yorkshire Pension Fund) accounts entries are nominal entries and are ignored by ESFA, but WYPF deficit is shown as balance sheet liability (in similar way to most public sector bodies) 5. responding to LWI question on reserves levels in comparable SFC's, JBL pointed out that Greenhead's are relatively low and agreed to circulate updated spreadsheet on this to Committee 6. CSH emphasised that significant increase in reserves underlines importance of questions about how best to use them – minute 11 relates 7. JHO asked for explanation of 'movement in reserves' point: agreed JBL to describe this clearly. 	<p>Clerk re agendas</p> <p>JBL</p> <p>JBL</p>
<p>6. Proposed real-time data dashboard</p>	<p>Paddy Diamond has undertaken some background work on this looking at what other colleges do. JBL to provide update at next F&E meeting 15/11/21.</p>	<p>JBL; Clerk re agenda</p>
<p>7. Student numbers: additional staffing & budgetary implications</p>	<p>7.1 Current total 2,797 students. College continues to be extremely full, with bottlenecks & social space being significant concerns. Overall growth anticipated & planned for, whilst growth in most but not all subjects anticipated. Measures implemented including extra fixed-term staff previously agreed (plus further £25k for English subject staff agreed by Committee now), timetabling changes, etc.</p> <p>7.2 S.L.T. to make recommendations at Govs' Strategy Day 1/12/21 as to desired overall student numbers and therefore A1 cohort next year et seq. 2,700 might be appropriate for 2022/23 but key question would be how best to drop to this level whilst keeping current staffing establishment in place. Importantly, SLE noted that whilst staffing costs are affordable over next 3-4 years, they are likely to creep up to 80% of costs by 2030 (compared with current 72-73% and ESFA 70% benchmark), assuming no change in funding levels and existing curriculum model – SLE to get ESFA view on this prior to Govs' Strategy Day 1/12/21 & ESFA annual strategic conversation. In this context, and responding to LWI question about growth, RAR emphasised that DfE new build is a like-for-like replacement of facilities predicated on College population of 2,500.</p> <p>7.3 CSH reiterated points from previous meetings related to variances against budget, at what point it would make sense to re-set the budget and the agreement to add an in-</p>	<p>JBL/SLE note</p> <p>SLE; Clerk re agenda</p> <p>SLE</p>

	year adjustments column to management accounts. Agreed JBL to consider and update at next F&E meeting 15/11/21.	JBL; Clerk re agenda
8. Site security	<p>8.1 Committee considered external security audit report, as considered at Quality & Standards Committee 13/9/21, and associated SLE paper, both previously circulated.</p> <p>8.2 Security report itself came up with useful recommendations (per 8.3 below) but was presented in unprofessional, unacceptable way: agreed JBL to feed back to author and request re-draft in a professional way.</p> <p>8.3 Report provided assurance on overall security and made recommendations, which formed basis of S.L.T. action plan of proposed responses. Committee discussion of recommendations as follows:</p> <ol style="list-style-type: none"> 1. consider further CCTV installation points in specified areas: College to implement 2. consider implementing a resource to monitor camera intruder activation or door entry activation: already covered by sensors; will review 3. consider using designated incident report form in regard to workplace violence: this is under consideration 4. consider using facial recognition software: College/Govs not keen on this. <p>8.4 S.L.T. believes best way to increase security is to further increase Student Area Supervisor team coverage, as set out in SLE paper, to ensure enhanced presence & visibility across site on regular basis. Furthermore, JBL explained camera upgrades to digital & 360-degree cameras (the latter costing around £2.5-3k each).</p> <p>8.5 Committee approved action plan set out SLE's paper. Financial implications minimal, or modest in case of cameras (as above).</p> <p>8.6 RAR mentioned that not all Governors have a swipe card – JBL to order more so this issue can be dealt with.</p>	<p>JBL</p> <p>SLE/JBL note</p> <p>JBL</p>
9. Capital development	<p>Capital development JBL/SLE verbal update & Committee discussion:</p> <ol style="list-style-type: none"> 1. DfE weekly meetings have continued; final one due 13/10/21 2. detailed layout planning going well, further work ongoing including in relation to finalising kitchen layout 3. discussions with Planners ongoing, Planning Application decision due 17/12/21 4. discussion of locations for laptop stations and sockets for charging phones (in response to RAR questions) 5. phone charging: current policy is students should not charge phones – Committee pragmatic about ensuring 	

	<p>sufficient charging points to meet future demand, and RAR asked about student involvement in this process – JBL feels charging points are sufficient and he will review policy & student involvement in forward planning</p> <p>6. discussion of WiFi upgrading in existing buildings, responding to LWI question – JBL pointed to review underway along these lines – LWI urged upgrading & future-proofing WiFi across entire site</p> <p>7. Mace feedback expected later w/e 15/10/21; will then take options to Capital Devt Cttee for consideration.</p>	JBL
<p>10. Preparatory strategic work for Govs' Strategy Devt Day 1/12/21</p>	<p>SLE verbal update & Committee discussion:</p> <ol style="list-style-type: none"> 1. good progress at S.L.T. strategy day held last week, despite key absences; S.L.T. strategic meetings ongoing 2. considered financial breakdown for remainder of decade in context of inter-linked variables including future curriculum offer, IT, estates, how to manage admissions, and student number scenarios 3. have milestones in place in run-up to 1/12/21 event, including curriculum-related strategic discussion to be held at Q&S Committee 8/11/21 and financial strategy to be discussed at next F&E 15/11/21 (which will be 90 minutes' duration, including recommendation to sign-off annual accounts, then Joint meeting with A&R Committee, then shorter A&R meeting) – Clerk to check whether Corporation Vice-Chair can cover for RAR in terms of having direct sight of annual accounts & auditor feedback (<i>post-hoc note: he can</i>). 	<p>Clerk re agenda</p> <p>(Clerk)</p>
<p>11. Approach to cash surpluses & reserves</p>	<p>11.1 Cash surpluses & reserves. JBL argued no meaningful comparators available. RAR set out principles upon which to build a Reserves Policy: (1) cash for a rainy day (or CSH unknown events); (2) savings for a purpose; (3) ongoing investments in College. Committee agreed this as a framework. Agreed JBL to work up above framework, adding appropriate data, and to bring paper to next F&E meeting 15/11/21. This will subsequently feed into discussions at Govs' Strategy Day 1/12/21.</p> <p>11.2 Cash balance investment in pursuit of better returns, referring to cash deposit platforms paper, previously circulated. Key elements of discussion:</p> <ol style="list-style-type: none"> 1. all the cash deposit platform companies listed are UK companies and all are secure investments protected by Financial Services Compensation Scheme 2. each platform has numerous providers and £85k investment limit is per <i>provider</i>, so could e.g. invest £85k in each of Flagstone's 47 providers 3. interest rates are fixed rate for the period 4. JBL feels maximum investment term would be 12 months 5. on other side of coin, LWI questioned loan interest being 	<p>JBL; Clerk re agendas</p>

<p>[LWI departed 6.29pm]</p>	<p>paid by College – JBL pointed out this is 1.5% & 2.25 over base rate respectively, with penalty clause for early repayment, and interest payment of c£130k p.a. – can review at next loan contract break</p> <p>6. RAR emphasised desire to maximise use of monies, whatever mixture of direct investment in College, loan repayment, cash investment</p> <p>7. JBL can work up proposals, in context of imminent Mace report and (in November) outcome of Government Comprehensive Spending Review</p> <p>8. agreed to invest an initial £1m (of cash essentially lying dormant pending future use) for 3 months, probably with Flagstone platform – JBL to review & action, running final proposal past JHO – Committee could decide to add further investments subsequently, potentially at or following Govs’ Strategy Day 1/12/21.</p>	<p>JBL</p> <p>JBL</p>
<p>12. Catering, cleaning, premises, estates strategic matters</p>	<p>JBL updates:</p> <ol style="list-style-type: none"> 1. cleaning provision/procurement to be internally reviewed from Jan 2022; will subsequently report back to Committee 2. Highfields facilities being made usable by relatively minor works in changing rooms & pricing up 2m perimeter fence; will then be able to apply for further developmental monies from Sport England 3. catering going well, with four outlets open, weekly menu changes, good feedback, coffee cart coming soon. 	<p>JBL; Clerk re agenda</p>
<p>13. Covid risks & mitigation</p>	<p>JBL noted that CO2 monitors/alarms due to arrive soon – will be distributed across departments and will alert staff to when windows need to be opened.</p>	
<p>14. Policies</p>	<p>No existing policies to review/refresh on this occasion.</p>	
<p>15. AoB</p>	<p>None.</p>	
<p>16. Confidentiality</p>	<p>Confidential & sensitive aspects taken into account in drafting these minutes; no outstanding confidential matters.</p>	
<p>17. Date next mtg</p>	<p>Mon 15 Nov, 4.00pm followed by joint meeting with Audit & Risk Committee & Auditors 5.00pm.</p>	<p>Govs note</p>

Minutes prepared by Ian Leedham (Clerk to the Corporation) on 25/10/21

Signed off by John Holroyd, Chair, at Finance & Estates Committee 15/11/21