

GREENHEAD COLLEGE CORPORATION
Minutes of the Finance & Estates Committee meeting held virtually using Teams
Monday 14 June 2021, 4.30pm

Govs present: Chris Kneale; Craig Shannon; John Holroyd (Chair); Simon Lett (Principal)

In attendance: John Blake; Ian Leedham (Clerk)

Apologies: Ian Lavan; Lisa Wilkinson; Richard Armstrong

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apols	JHO welcomed participants. No apologies.	
2. Declarations	No declarations of pecuniary/prejudicial interest.	
3. Minutes 26/4/21	<p>3.1 Minutes 26/4/21, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing.</p> <p>3.2 Three matters arising not covered on agenda:</p> <ol style="list-style-type: none"> 1. 26/4/21 min 5.5 (staff vaccination rates): survey completed and will be re-administered later in June with results to be reported to Corporation 12/7/21 2. 26/4/21 min 9.1 (sports facilities): RAR updated on Sport England potentials, underlining its community use driver 3. 26/4/21 min 6.4 (2020 end-year accounts comparison with other SFC's identified by JBL, to inform reserves discussion): discussion of JHO spreadsheet, previously circulated – other colleges generally stronger balance sheets & net assets – to think about which benchmarks & colleges we want to compare with – JBL mentioned recent A.O.C. benchmarks data as useful tool (he will circulate) – agreed to pick this up at F&E 6/9/21. 	<p>Clerk</p> <p>Clerk re agenda</p> <p>JBL; Clerk re agenda</p>
4. Financial update: management accounts & budget	<p>4.1 JBL summarised April 2021 management accounts spreadsheet & narrative document, and proposed budget 2021/22 spreadsheet & commentary document, all previously circulated. JBL also addressed RAR's points circulated in advance, questioning some of RAR's assumptions and calculations; he will formally respond to RAR in more detail tomorrow 15/6/21.</p> <p>4.2 Committee discussion focused on four main elements: cash investment; repairs & maintenance; staff costs; and overall 2021/22 budget implications – mins 4.3-4.6 relate.</p> <p>4.3 Cash investment:</p>	JBL

1. bank balance moving towards £2m at end of FY2020/21 and this is projected to continue to grow
2. general agreement with JBL's more pragmatic, cautious approach to managing cash balance, keeping cash immediately available
3. CSH asked if cash balance continues to increase, at what point and where would some of (surplus) balance be invested in pursuit of better returns – agreed to keep this under review and to consider a policy on this via standing agenda item – linked, JHO mentioned & JBL to research Flagstone multi-bank cash investment platform.

Clerk re agenda;
JBL

4.4 Repairs & maintenance:

1. additional costs in YTD April management accounts compared with budget – question raised whether restructure was agreed on basis of anticipated future cost savings – JBL argued catch-up rationale had been implemented for some of the works and pointed to significant physical improvements made – JBL also explained that if external contractors had been used to deal with same volume of work, higher total costs would have been incurred
2. the extra cost also flows through into budget 2021/22 – there was an associated debate about the longer-term cash saving potential, including via reducing contractors' budget and the level of work that actually needs to be dealt with.

4.5 Staffing costs 2021/22 & staff costs to income ratio KPI:

1. Cttee reiterated aim to reduce ratio towards ESFA 70% benchmark in order to prioritise extra spend on non-staff costs which have been squeezed in previous years
2. fundamental questions about having a clear & consistent ratio formula – currently, different formulas being used JBL/SLE – agreed that formula to be used is anticipated staff costs for whole year as percentage of anticipated income for that year – SLE & JBL to liaise in terms of any numbers that go in Principal's Report
3. management accounts ratio currently 72.5% (JBL) but CSH pointed out JBL report states 71.3% – JBL not sure which is most current – he will check
4. budget 2021/22 presented shows teaching staff expenditure up considerably (£691k vs expected outturn) & KPI staff costs to income ratio increasing i.e. going in wrong direction – pay award at 3% £200k of this – new staff on 12 month contracts £375k of this, to service extra 100 students (especially in STEM subjects) – taking one-year hit 2021/22 owing to lagged nature of additional ESFA income – KPI staff costs to income ratio 74.1%, JBL's latest estimate 74.7% – JBL argued that staff costs 2021/22 have only come to light recently, given that enrolment predictions & staffing requirements have been firmed up only recently.

JBL, SLE

JBL

	<p>4.6 Overall budget 2021/22 implications:</p> <ol style="list-style-type: none"> 1. Committee unable to sign off owing to significant deterioration in budget position since last F&E figures & sensitivity analysis provided in April 2021, lack of overall/helicopter view & explanations (including how incremental income/costs viz +100 students stacks up), questions of how budget has been built, inconsistencies of measurement/comparison (mix of comparisons with approved budget & with current outturn forecast), wrong direction of travel on staff costs 2. related discussion about cash as opposed to accounting basis makes scrutiny of budgets difficult, and about the need for a realistic (rather than overly pessimistic) approach to each budget line supplemented by a contingency line to cover all contingencies 3. action: initially agreed JBL to review & update budget and circulate, and subsequently suggested by SLE that SLT to review staff costs & overall budget, addressing points made by Cttee above – agreed by Cttee – then to be brought to another extraordinary F&E meeting prior to Corporation 12/7 to enable approval & recommended sign-off at Corporation 12/7 – SLE to advise on timing of this SLT work and therefore for F&E meeting. <p>4.7 Linked discussion of (real time) data dashboard for above financial & other data: agreed SLE to review with Paddy Diamond & wider SLT and report back, potentially taking up JHO’s mention of an expert contact of his if necessary.</p>	<p>SLE</p> <p>SLE; Clerk re agendas</p> <p>SLE</p>
<p>5. Staffing costs</p>	<p>Staffing costs 2021/22 covered in minutes 4.5 & 4.6 above.</p>	
<p>6. Capital development</p>	<p>6.1 Still awaiting DfE/Mace/GT feedback – SLE hoping to hear more by 18/6/21, and to avoid handover slippage beyond summer 2023 – SLE to follow up DfE w/b 21/6/21 as needed.</p> <p>6.2 Update on SFCs’ Capital Fund: College not able to apply this time due to short application, spade-ready, and completion deadlines; hoping Fund continuation in future years.</p> <p>6.3 Committee considered New Build Risk Register, previously circulated, from perspective of F&E-related risks:</p> <ol style="list-style-type: none"> 1. meeting held last week with Ian Harmer, AuditOne, regarding Capital Devt Project Management Audit 2021/22; AuditOne/Ian to help further develop Risk Register based on AuditOne expertise and Ian’s experience as Vice-Chair of Single Academy Trust in Doncaster, which is also involved in DfE capital scheme 2. JHO asked about timescales – SLE explained initial 	<p>SLE</p> <p>(SLE > Ian Harmer)</p>

	<p>timetable will be forthcoming from Galliford Try once its role is formalised by DfE, and more detailed timetable will emerge once Planning Approval secured – Risk Register can be further developed accordingly – will need to keep Audit & Risk Committee updated</p> <p>3. given that risks & their management range across many different Committees, CSH argued that a column should be added at right hand end of Risk Register to specify Committee link – Committee agreed – JBL to action.</p>	JBL
7. Approach to surpluses & reserves: preparatory work	<p>7.1 Preparatory work on developing approach to surpluses & reserves, including updated scenario/sensitivity analysis, previously circulated, considered as part of min 4 analysis.</p> <p>7.2 <i>Site Maintenance & Development Plan 2021/22</i> and <i>Maintenance Reviews & Servicing</i> documents, both previously circulated, were welcomed by Committee. These are early-stage drafts that will be reviewed by S.L.T. and updated regularly, as live documents. Following JHO question, JBL confirmed that costs of ‘work to be considered within one year’ items within the former document have been factored into budget 2021/22.</p>	SLE, JBL
8. Catering, cleaning, premises, estates	<p>8.1 Aramark took over catering provision 7/6/21:</p> <ol style="list-style-type: none"> 1. positive start, with visible improvements to food offer 2. new staff very much on board, and some issues with engagement of some pre-existing staff will be taken forward by/with Aramark late-June 3. shop/counter works to take place over summer holidays, supporting Aramark full service offer from September. <p>8.2 Cleaning outsourcing costs were too high, so this information will be used to inform development of in-house service – Committee endorsed this approach.</p>	
9. COVID risks & mitigation	Owing to rise in cases etc, Year 10 Partner School events have been postponed (alternative approaches to be considered) and Year 11 bridging day in mid-July is under review depending on how Covid picture develops.	
10. Policies	No existing policies to review/refresh on this occasion.	
11. AoB	None.	
12. Confidentiality	Confidential aspects taken into account in drafting these minutes – no outstanding confidential matters.	

13. Date next mtg	F&E Committee: 1. extraordinary meeting prior to Corporation 12 Jul to be arranged: SLE to advise in first instance, per min 4.6.3 2. then next scheduled meeting Mon 6 Sep 2021, 4.00pm <i>(note 4pm start; to finish by 5.15pm when Cap Devt Cttee will start).</i>	SLE; Govs note Govs note
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Minutes prepared by Ian Leedham (Clerk to the Corporation) on 28/6/21

Signed off by John Holroyd, Chair, at Finance & Estates Committee 8/7/21