

GREENHEAD COLLEGE CORPORATION
Minutes of the Finance & Estates Committee meeting held in Room G17
Thursday 28 April 2022, 4.30pm

Govs present: Chris Kneale; Craig Shannon (via Teams, to 18.25); John Holroyd (Chair); Richard Armstrong (Vice Chair); Simon Lett (Principal)

In attendance: John Blake; Stuart Irving (to 18.40); Jessica Norcliffe (to 17.20); Sharon Roper (Clerk)

Apologies: Ian Lavan; Lisa Wilkinson

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies, chairing	JHO welcomed participants. Apologies as above.	
2. Declarations	No declarations of pecuniary/prejudicial interest.	
3. Minutes 14/2/22	<p>3.1 Minutes 14/02/22, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing when the change (3.1.1) has been made.</p> <p>1. Item 4.3, RAR asked that his comment be corrected and changed to 'if student numbers decline funding will follow, not immediately, but in the following year'.</p> <p>3.2 Matters arising not covered on agenda:</p> <p>1. Item 4.13, a road map regarding a loan or grant should be added as a standing item to the agenda.</p>	<p>Clerk</p> <p>Clerk</p> <p>Clerk; re agenda</p>
4. HOD Allowances	<p>JNO summarised and the Committee discussed the Head of Department Allowances paper, previously circulated:</p> <p>1. JNO explained that the current formula for HOD Allowances has been in place since 2016. Some departments have seen a big rise in student numbers while some departments have seen a decrease. The majority of students now only take 3 subjects and with a recalculation using the 2016 formula it would mean a decrease in most of the HOD Allowances. JNO feels that the middle leaders are key to the success of the college, and a reduction would have a negative impact on morale and motivation.</p> <p>2. JNO suggested a way to maintain or slightly increase the HOD Allowances and ensure any reductions are minimised,</p>	

	<p>the calculations are detailed in Table 3 & Table 4 of the document she had circulated.</p> <p>3. CKN stated that student numbers have increased significantly in some subjects, JNO replied that the allowance has been capped at £11500, a comparison has been done at other colleges and their maximum cap was lower. JNO feels this is a competitive offer.</p> <p>4. SIR asked if a HOD left a department with decreasing student numbers would the HOD Allowance be reduced for the new person. JNO said this would not be appropriate.</p> <p>5. RAR asked that rather than any staff lose out should their salary be protected, JNO responded that a protection could be in place for 1 year giving the HOD the opportunity to increase their student numbers.</p> <p>6. SLE said there will be an assumption by HOD's who have a big increase in student numbers that the allowances will increase substantially, and expectations will need to be managed.</p> <p>7. CSH questioned if a new HOD immediately receives the full allowance or is there a probationary period. JNO replied that they receive the full allowance from the start.</p> <p>8. CSH asked if there were any other ways to introduce flexibility, JNO said the allowances aren't big for the responsibility involved and they would struggle to recruit to the roles if the full allowance was not paid. SLE said the allowance will be reviewed every 2 years and HODs will be made aware that if their numbers decrease it will impact their allowance in the future, but for this review he does not want any allowances reduced.</p> <p>9. RAR said flexibility needs further discussion. SLE said he will speak to SLT and report back to F&E 13/6/22.</p> <p>10. CKN asked about time remission, JNO replied that time remission has also been compared with other colleges and in her view Greenhead is competitive.</p> <p>11. SIR asked if the Union will be consulted, and JNO confirmed they will.</p> <p>12. JHO clarified that the proposal was for the introduction of the new rates from Academic year 2022/23 and to be reviewed again 2024/25 and every 2 years thereafter. Following JHO's question both JNO and SLE agreed that poor performance would need to be addressed through performance management.</p> <p>13. SIR asked if cleaners wages are being looked at, JNO said she would look at them.</p>	<p>SLE</p> <p>JNO</p>
<p>5. Accounts</p>	<p>Committee considered February 2022 management accounts & narrative, main points included:</p> <ol style="list-style-type: none"> 1. Income showing projection of an additional £370,000 calculated by additional in-year funding and tuition top up. 2. Miscellaneous income larger due to more ALS funding than projected and Covid grants. 	

3. Teacher pay shows a forecast of £90,000 over budget, that reflects tuition top up and cover for absent staff.
4. Saving on Learner Support salaries due to unfilled posts. Admin and Exams had long handovers so two managers were paid for each role.
5. Five cleaning staff have left and have not been replaced, the cleaning staff will be reviewed later in the year.
6. Non pay; spent £25000 on repairs making Highfield safe and building a fence around it.
7. Budgeted £50,000 for Mace and GT bills.
8. Cash and investment balances are £2.9 million, compared to £1.3 million last year.
9. Performance indicators, current ratio, current assets to current liabilities, 2.7 to 1; payroll costs 73% of total income, projected to be 70% at year end
10. Notification received of Outstanding Financial Health score.
11. RAR asked why expected catering income is £40,000 short, JBL replied that the Aramark contract didn't start until October, salaries were paid until September by the college, freezers needed replacing and in the first year we pay the VAT. JBL expects this to reverse next year.
12. A catering consultant has been employed, 4 times per year, to assess Aramark and their accounts. Her feedback was positive about their performance. JBL confirmed she is paid £40 per hour in response to SIR question.
13. RAR asked how the overspend of £330,000 would have been managed if there wasn't additional income of £650,000, RAR and JBL had a detailed discussion about the figures and JBL said that a more detailed narrative would give a clearer explanation.
14. RAR asked if money was moved around different categories in year to offset budgets in order to achieve a balanced position, JBL replied no.
15. CSH stated that the committee wants to know if we're hitting the bottom line and the decisions that have been made to achieve it and also if that has caused any long-term consequences. SLE responded that the overall figure is the main priority, but individual line items are of interest if a trend emerges which could harm the financial position and direction of the college.
16. JHO feels that as there are monthly management accounts which include an estimated outturn column this should be more than sufficient in terms of regular reforecasting.
17. The Committee discussed if rebudget should happen during the year and it was agreed this would only happen when required.
18. CSH asked if the meeting has taken place between SLE & JBL to discuss different staff cost ratio KPI's being reported. JBL confirmed the meeting has taken place and the figures will match in future in all reports.

<p>6. Draft Budget</p>	<p>Draft budget and assumptions discussed, both previously circulated, JBL explained that the staff figures are not exact, and JNO is currently looking at required staffing. The plan is for the budget to be refined and hopefully approved in the next F&E meeting (13/6/22) and then go to Corporation (4/7/22).</p> <p>1. SLE asked if the budgeted 3.5% pay rise was too low, it was agreed that higher pay costs are added as a contingency.</p> <p>2. RAR suggested an amount be set aside for innovation that students and staff can bid for the funding. SLE agreed and that SLT will take this forward, and he will report back.</p> <p>3. JHO asked if funding needs to be allocated for environmental and sustainability, RAR responded that the amount required is unknown at the moment.</p> <p>4. JHO asked what the £120,000 other income comprises, JBL said £90,000 was ALS funding and it was a realistic figure.</p> <p>5. CSH asked why there is no figure in the catering income line, JBL said this is an oversight that he will correct.</p>	<p>SLE</p> <p>JBL</p>
<p>7. Draft Site Maintenance & Development Plan</p>	<p>Committee considered the plan, previously circulated:</p> <p>1. Work was completed at Easter to replace and upgrade the fire alarm system.</p> <p>2. Have received quotes to upgrade the CCTV system.</p> <p>3. RAR asked for clarification on the sustainability score, JBL explained that 100 was a typical score for a building of the college's age and construction. Greenhead is B category for the main building and A category for Rostron building.</p> <p>4. RAR asked if the upgrades to the new build have been added, JBL said he doesn't have the final costs yet, but they will be added to the plan.</p> <p>5. JHO asked if there were any more costs that need to be included in respect of the consequences of the new build work, JBL said dining room furniture would be a cost in 2023/24 budget.</p> <p>6. JHO asked if this plan should be reviewed more regularly, it was agreed that it would be reviewed every other meeting.</p> <p>7. JHO asked if anything else needs an annual maintenance contract, JBL said everything required was done.</p> <p>8. SIR asked if there is a schedule for the upkeep of the college, JBL confirmed that every room in the college is checked prior to the summer holidays and then a list of jobs is produced.</p> <p>9. RAR asked how replacing equipment is tackled and JBL responded that it comes out of the refurbishment budget.</p>	<p>JBL</p> <p>Clerk for agenda</p>

<p>8. Long Term Forecast</p>	<p>1.JBL summarised the forecast, previously circulated: JBL has amended the forecast in the light of the2022/23 budget. There is an assumed 2% increase in income for the next two years. The capital expenditure for the new build is assumed to match the Mace figure. End of the decade, cash is forecast to be £1.4 million, and staff cost to income ratio is 78%.</p> <p>2. SLE stated the staff to income ratio is problematic in 10 years' time on the basis of the forecast. RAR said that an assumption should be made on a 2% income provision if there was an assumption that all of the costs will increase. JBL replied that there was no information to justify this view and he couldn't produce a long term forecast with incorrect information and referred to a recommendation from the FE Commissioner to only use known information for forecasts.</p> <p>3. JHO asked that capital expenditure is included at the same level as the annual depreciation, JBL will amend it.</p> <p>4. JHO asked that an updated long term forecast be included in the next agenda (13/6/22)</p>	<p>JBL Clerk re agenda</p>
<p>9. FE Commission</p>	<p>FE commissioner paper following the recent conference, paper previously circulated: JBL feels that all the SLT need to understand the finances and budget.</p> <p>JHO asked if the governors give the right level and strength of challenge, SLE and JBL agreed that they do.</p> <p>JHO identified that course contribution analysis is not undertaken, SLE said some subjects do run at a loss, but the college wants to provide a broad curriculum. JBL said the analysis could be done on an annual basis.</p>	<p>JBL</p>
<p>10. New Build Risk Register</p>	<p>RAR said that as parking spaces were limited, governors should use public parking if they visit the college during the day and the college would reimburse the cost. This was agreed by the Committee. Clerk to advise all governors.</p> <p>JHO identified that the register indicates that the college lockdown procedures need updating, this will go to A&R (9/5/22).</p>	<p>Clerk Clerk for agenda</p>
<p>11. Covid Risks</p>	<p>SLE said that students may be able to have special consideration if they have Covid related absence during exams. The college can also reserve the right to refuse a student entrance to an exam if they appear to have Covid symptoms.</p>	
<p>12.Policies to review</p>	<p>1.Fees & Charges Policy: (3a) RAR asked why a student would be charged £4542 when the average cost is £5403. SLE replied that the</p>	

	<p>baseline figure was used. CKN asked how many students this applied to and SLE responded none so far.</p> <p>JHO asked about the process if a Ukrainian student wanted to join Greenhead, JBL confirmed that if the student was a designated refugee funding can be claimed.</p> <p>JHO asked about the quota of printing, JBL responded that it's £20 per year and the students have an individual log in for the photocopier.</p> <p>F&E policy approved.</p> <p>2.Reserves Policy: (3.1, sentence 2) amend EFA to ESFA. (Principles of Policy 1) remove CSH. (Use of Reserves) change 'an amount equal' to 'an amount equivalent'.</p> <p>Policy approved when above amendments made.</p> <p>3.Bursary Policy: JBL clarified the policy isn't just for 2021/22 and will be updated when 2022/23 guidelines are published. Review in summer on an annual basis to be added to policy. (1.Category 1) change care leavers to care leaver. (Withholding of Payments) change to 'who do not have 100% attendance or who show unacceptable behaviour'.</p> <p>Policy approved when above amendments made.</p>	JBL
13. Terms of Reference	CKN stated that the purpose only mentions advising on financial matters and JHO asked if monitoring the condition of the estate should be included. RAR will update the TOR.	RAR
14. Any Other Business	JBL said the boiler replacement went out to tender, lowest price from Shouksmiths, boiler replacement £168.789 and asbestos removal £17358. Committee approved this request.	
15. Confidentiality	No confidential aspects identified.	
16. Date next mtg	Mon, 13 Jun, 4.30pm	

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 9/5/22

Approved & signed by Chair, Richard Armstrong on 13/6/22