

**GREENHEAD COLLEGE CORPORATION**  
**Minutes of the Finance & Estates Committee meeting held in Room G17**  
**Monday 14 February 2022, 4.30pm**

**Govs present:** Chris Kneale; Craig Shannon; John Holroyd (Chair); Ian Lavan; Lisa Wilkinson; Richard Armstrong (Vice Chair); Simon Lett (Principal)

**In attendance:** John Blake; Sharon Roper (Clerk)

**Apologies:** None

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>1. Welcome, apologies, chairing</b>	JHO welcomed participants.	
<b>2. Declarations</b>	No declarations of pecuniary/prejudicial interest.	
<b>3. Minutes 15/11/21</b>	<p><b>3.1</b> Minutes 15/11/21, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing.</p> <ol style="list-style-type: none"> <li>Item 3.2.2 (SLE) From Q&amp;S committee re Security Report, action was to circulate report to anyone who wished to see it, not automatically send it to everyone.</li> <li>CSH requested that the specific questions in the meeting be fully recorded in the future minutes.</li> </ol> <p><b>3.2</b> Matters arising not covered on agenda:</p> <ol style="list-style-type: none"> <li>Item 7.2, JHO asked about Aramark environmental health score, JBL confirmed they had revisited and scored 5/5.</li> <li>Item 4.8, JHO asked about VAT free lettings income, JBL happy that no issue with VAT income from lettings.</li> <li>Item 7.3, Draft Site Maintenance &amp; Development Plan 2021-25, previously circulated, JBL to update with additional costs at next F&amp;E 28/4/22.</li> <li>Item 6, Data dashboard, JHO &amp; SLE agreed Governor's SharePoint page would be updated regularly.</li> </ol>	<p>Clerk</p> <p>Clerk</p> <p>JBL; Clerk re agenda</p>
<b>4. Spending Review</b>	<p>JBL summarised;</p> <ol style="list-style-type: none"> <li>We will receive increased funding for high value courses – we do not yet have numbers for how many</li> </ol>	

students this applies to. LWI questioned why there is higher funding for STEM subjects, JBL addressed this. LWI questioned why the plan to improve drama/music/sports provision if lower income receivable, SLE responded that a broad curriculum and better facilities are essential. RAR stated that the potential new build could also generate extra income by letting out the facilities.

2. Funding statement due this month, JBL estimates we will receive an additional £2million year on year, JBL will circulate when received. Unsure if settlement will be inflation linked at this stage. JBL
3. We will receive an extra in-year funding this year of £370,000 between March and July due to 7.3% student numbers increase, JBL confirmed this was extra funding responding to CSH question. RAR noted if student numbers decline funding will follow, not immediately, but in the following year.
3. Long term forecast, SLE expectation is that the staff pay award will increase by more than 2%. JBL stated that college will have to prepare next years budget before pay increase is finalised.
4. JHO asked when the budget will be prepared, JBL responded it will be prepared for June's meeting and must be submitted by the end of July. JBL
5. JHO requested draft budget and updated longer term forecast for the next meeting. JBL
6. CSH questioned the starting figures on the projection, JBL confirmed the figures have subsequently been updated and he will send everyone a revised copy.
7. CSH asked detailed questions about the salary figures and national insurance contributions, RAR asked about staff salary increments, JBL to update assumptions spreadsheet and forward to committee members. JHO requested a bullet point list of all assumptions made be attached to the document. JBL
8. RAR mentioned other income forecast remains at a low level, JBL responded low level of catering profit share expected next year and other income remains flat. RAR questioned future lettings from the potential new build, JBL replied that VAT would be payable on entire building if let out and therefore a future strategic decision required.
9. CSH asked what percentage of staff salary increase would change the assumption on the potential new build funding from a positive to a negative scenario. In particular can the critical staff salary increase figure be identified? RAR agreed and stated that the supporting notes are equally as important as the figures. JBL
10. JHO stated lowest cash point is forecast to be in 2025/26 and suggested that the sensitivity analysis should look at how much costs need to rise to use up

	<p>the £1.4 million cash balance.</p> <p>11. CSH pointed out that the analysis has assumed the reserves will be used for the potential new build and questioned what else might cash and reserves be required for. SLE confirmed that the existing building will also need additional expenditure.</p> <p>12. RAR suggested a timeline is required for critical decisions such as a loan or a grant. JHO agreed that a road map should be prepared and reviewed at subsequent meetings.</p>	<p>JBL</p> <p>JBL</p> <p>JBL</p>
<p><b>5. Accounts</b></p>	<p>Committee considered December 2021 management accounts &amp; narrative, main points included:</p> <ol style="list-style-type: none"> <li>1. Financial Health score remains 290/300, outstanding.</li> <li>2. As at December the operating surplus is £1.3 million.</li> <li>3. Backpay has been made using £83000 received for additional tuition sessions.</li> <li>4. We have also received 33 DfE laptops.</li> <li>5. Aromark contract started and they're taking all the risk. Aromark to organise new payment devices. Catering funding has been received from free school meals and wisepay and catering expenditure will offset this.</li> <li>6. Non pay expenditure, as expected, exam credits £118000 will offset expenditure.</li> <li>7. Bank balance £3.5 million includes £1million on cash platform which will generate estimated £3000 income this year.</li> <li>8. In audit undertaken on treasury management in January, auditor suggested don't limit investments in some individual institutions to £85000. RAR asked if there were other investment options on the cash platform, JBL confirmed more options on investments 12 months and over. CSH pointed out only need to keep the cash liquid if it's required. In response to RAR suggesting putting more on investment, JBL will look at this in March when the cash balance will be lowest and wants to take advantage of any interest rate increases.</li> </ol>	<p>JBL</p>
<p><b>6. Budget</b></p>	<ol style="list-style-type: none"> <li>1. Revised budget discussed, JBL explained that after 6 months additional pay has been added in although some staff have not started yet.</li> <li>2. Revised budget column includes the additional £370,000 received. Also non ESFA income received and Covid testing income.</li> <li>3. £26000 added to premises costs for payment to MACE.</li> <li>4. JBL stated that budget has included increased staff costs due to higher student numbers. RAR stated some increased staff costs were assumed in original budget and questioned which staff increases had originally been provided for. JBL said detailed additional staffing had been included on summary sheet circulated prior to meeting. LWI requested</li> </ol>	



	JBL to send out initial recommendations from heating consultant to committee members.	JBL
<b>8. Environmental Sustainability</b>	<p>1.Replacement of boiler (item 7), sustainability has been considered.</p> <p>2.SLE noted that an environmental working group will be set up and any proposed expenditure will come to F&amp;E committee.</p> <p>3.RAR stated that when contracts are awarded, sustainability will need to be a consideration.</p>	
<b>9. Covid risks &amp; mitigation</b>	Nothing additional on this occasion.	
<b>10. Policies</b>	<ol style="list-style-type: none"> <li>1. Reserves Policy (minutes 4.6) – JBL to update.</li> <li>2. Redeployment – JNO to update.</li> <li>3. Fees &amp; Charges – JBL to update.</li> <li>4. RAR – clerk to list dates of policies to renew on agenda.</li> </ol>	JBL  Clerk
<b>11. AoB</b>	<p>1. SLE stated that SLT have reviewed HOD allowances, add to agenda at next meeting. Invite Jess Norcliffe to meeting.</p> <p>2. Announcement by government of new Elite 6<sup>th</sup> Forms, add to remit of Capital Development Committee, clerk to add to their agenda.</p>	Clerk  Clerk
<b>12. Confidentiality</b>	No confidential aspects identified.	
<b>17. Date next mtg</b>	Thu, 28 Apr, 4.30pm	

**Minutes prepared by Sharon Roper (Clerk to the Corporation) on 18/2/22**

**Approved & signed by Chair, Richard Armstrong on 28/4/22**