

**GREENHEAD COLLEGE CORPORATION**  
**Minutes of the Finance & Estates Committee meeting held in Upper Greenhead House**  
**Monday 25 September 2023, 4.30pm**

**Govs present:** Adrian Barrass; Chris Kneale; Craig Shannon; John Holroyd (Chair); Mohammed Usman (from 16.38); Richard Armstrong; Simon Lett (Principal)

**In attendance:** Mark Jones; Sharon Roper (Clerk)

**Apologies:** Connie Laing; Lisa Wilkinson

AGENDA ITEM	DISCUSSION	ACTION
<b>1. Welcome, apologies, chairing</b>	JHO welcomed participants. Apologies as above.	
<b>2. Declarations</b>	No declarations of pecuniary/prejudicial interest.	
<b>3. Minutes 12/6/23</b>	<p><b>3.1</b> Minutes 12/6/23, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing.</p> <p><b>3.2</b> Matters arising not covered on agenda:            1. (Min 11.3) RAR asked about the actions carried forward from F&amp;E 27/4/23.            MJO updated members on his list of actions:            2. (Min 3.2.1) MJO confirmed the cash days calculation is now reflected in the accounts.            3. (Min 3.2.2) Hirst building valuation from DfE is £20 million. GC need a professional valuation on completion of the building, JHO asked if we have to pay for this – we do. CSH asked what figure goes on our books, MJO said the book price will go on our books and a rebuild figure is needed for insurance purposes.            4. No update regarding the energy contract yet.            5. Profit share from Aramark should be paid in year 3 which we are currently in, this is in the contract and the regional director of Aramark confirmed this verbally with MJO. JHO asked if profit share is only in year 3 in the contract, MJO will check.            ABA asked that key elements in the Aramark contract be shared with governors.</p>	<p>Clerk</p> <p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p>

	<p>GC appears to be unique in the free school meal clause that we have in the Aramark contract.</p> <p>Legacy items in the kitchen have changed from £20,000 to £40,000, the extra capital investment is for two display fridges and a hot display cupboard, which will then go to Hirst Building, other items are not suitable to go across. RAR asked if we own these items – GC owns everything in the kitchen.</p> <p>6. (Min 4.5) 175 students qualified for free school meals, the figure for 23/24 is not known yet, MJO said the criteria and the ESFA funding have both changed this year. RAR asked how many of the 175 students used Aramark – it was less than half of them.</p> <p>7. (Min 5.13) A Compliance Report has been established (document previously circulated) confirming the assessments and testing regimes that are in place. RAR asked if the remaining 13 asbestos areas can be shared with A&amp;R committee when Phase 3 starts.</p>	MJO
<p><b>4. July accounts &amp; narrative</b></p>	<p>4. Committee considered July 2023 management accounts &amp; narrative, May, and June accounts noted, all previously circulated. MJO summarised key points from the accounts.</p> <p>1. The operating surplus of £1.654 million is a variance to budget of £777,000.</p> <p>2. ESFA income is slightly higher and other income is stable.</p> <p>3. Pay expenditure was higher than anticipated, mainly in Learner Support, Admin and Severance Pay, there was an underspend on Teaching Staff.</p> <p>4. KPI's, Teaching costs were met, total payroll costs were exceeded by 0.54%.</p> <p>5. Non-pay is significantly over budget; catering costs add to the overspend but there is also an income line. Other key overspends are admin, general expenditure, depreciation, and utilities.</p> <p>The premises line is now £7600 over, less overspend than projected throughout the year.</p> <p>6. The balance sheets shows investments of £5.428 million.</p> <p>7. Funding has been increased to £16.03 million. Once the staff pay deals are settled, pay lines, income and the bottom-line need adjusting for future years.</p> <p>8. JHO asked for a timetable for the accounts as three months of accounts have been included in the papers for this meeting.</p> <p>CSH asked if we are exposed during the holidays if there are no staff compiling the accounts – MJO said it's a possibility.</p> <p>RAR asked for accounts to be distributed to governors by email when they are ready instead of waiting for a scheduled F&amp;E meeting.</p> <p>9. RAR said the non-pay costs have become a concern and this area needs to meet budget or make a surplus.</p>	<p>MJO</p> <p>MJO</p>

	<p>10. CSH asked why depreciation is not a mechanical formula of what is held on our books, and why there is a variance of £121,000. CSH said a fixed asset register is required to drive depreciation and capital expenditure with time frames.</p> <p>11. CSH asked about the administration figure of £236,000, JHO thinks an error has been made and the wrong figure has been carried into the profit &amp; loss. JHO found several errors and he will send the details of these through to MJO by email.</p> <p>RAR added that governors should be made aware in the circulated documents of any adjustments between lines. MJO feels the Sage 50 system GC uses is causing problems.</p> <p>12. In response to JHO's question MJO said that we do not have a Fixed Assets Register, JHO said this is needed. JHO asked how the IT items are controlled, SLE said there is a document with the IT equipment and lifespans.</p> <p>13. JHO asked if these are the figures that are going to the auditors – MJO confirmed they are, and the auditors are currently in now.</p> <p>14. RAR asked about the cash position with £4 million in Barclays. MJO said the cash amount needs reviewing because we no longer need money for the Capacity Fund. JHO asked if this amount is in the current account – MJO confirmed it is. RAR said governors had asked for some of this money to be moved and invested in a previous meeting.</p> <p>MJO asked how much should be kept liquid, CSH said MJO should determine the figure and bring it back to governors and asked for a liquid cash register to keep a track as investments are constantly maturing.</p> <p>15. JHO asked if the ESFA income schedule has been received – it has, and the payments have been smoothed out.</p> <p>16. CSH said there's a case for doing an early rebudgeting exercise.</p> <p>17. RAR said lines should not be moved just because the ESFA funding has been increased.</p> <p>18. RAR asked about the ESFA Financial Return (CFFR) that was due over the summer and asked for an update on its progress.</p> <p>MJO said the extended deadline has been extended again to 29/9/23. MJO is being supported by the Deputy FE Commissioner who is helping MJO with the completion of the return. MJO confirmed the 29/9 deadline will be met. CSH asked if the delay was due to MJO being new into his role, MJO confirmed that was the case and with hindsight he should have asked for help earlier.</p> <p>19. MJO asked if governors want to see all the accounts for the year when the new accounts are ready and distributed. It was agreed that MJO and SLT will see everything monthly. Governors will see that month's accounts and the management summary.</p>	<p>MJO</p> <p>JHO/MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p>
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<p><b>5. Financial KPI's</b></p>	<p>5. Committee considered Financial KPI's, previously circulated. MJO summarised the report.</p> <p>1. The KPI document has caveats at the bottom due to pay rises, extra funding, and the expected change in operating surplus.</p> <p>2. The ESFA Financial Health status derives from the CFFR and was Outstanding last year.</p> <p>3. JHO calculated that cash in hand days was 141 at year end and asked why it was reducing to 120 as a target and CSH asked where we got either of the numbers from. RAR also asked is it a monthly or annual figure. MUS asked if a mean for the year could be used. CSH said the important part is when cash is at the lowest point during the year. RAR said the smooth payments from ESFA should help. MJO said a minimum amount should be set. RAR asked for 2 figures, the actual cash in hand figure and the target that we don't go below. JHO asked if cash in hand is a KPI that needs reporting. JHO felt 120 days was a reasonable figure as the college would have sufficient resources for 3 months. CSH asked that a proposal for cash in hand be brought back to F&amp;E.</p> <p>MJO will ask the Head of Territorial from ESFA for a steer on this during his visit next week.</p> <p>4. RAR said the proposed KPI for Non ESFA Income of 2% reflects the last few years but doesn't consider the new facilities we will have to let out. ABA said that 2% reflects the budget, SLE said it reflects June's budget and CSH said if we re-budget we want to be more ambitious in that line. JHO asked if this KPI is raised, who drives it. SLE said a plan is needed about how it increases and the time it will take. He sees this as increasing over a number of years. MJO said letting out of hours and the cost to GC against the income needs to be looked into. CKN said the cost of rental needs to reflect this. CKN asked if there is a community use agreement on Hirst Building – there isn't it's just on the MUGA.</p> <p>5. SLE said if the pay rise lands at 6.5%, after this is paid there should be an improved budget position of approximately £300,000.</p> <p>6. RAR said that pay costs don't show what is a pay increase and what is a staffing increase and asked to separate out the whole time equivalent targets split into teaching and non-teaching from the overall budget figure. Non-teaching staffing has increased over the last few years and governors need to have the information. ABA said the figures don't show if the college is running with vacancies, a ratio figure of actual to planned should be included.</p>	<p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p>
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	<p>SLE said certain curriculum areas are expensive equating to student numbers balanced against the right curriculum for the college.</p> <p>7. JHO doesn't agree with the calculation of payroll costs as a percentage of total income. He thinks the budget figure should be 73.3%. MJO to check this figure.</p> <p>8. JHO summarised that the KPI's are broadly agreed but MJO will check the cash in hand days and the KPI numbers need checking to the budget that has been agreed.</p>	<p>MJO</p> <p>MJO</p>
<p><b>6. Estate Management Update</b></p>	<p>MJO provided a verbal update on estate management.</p> <p>1. During the summer the work undertaken included painting all the communal areas in Rostron, tarmac repairs outside Upper Greenhead House, replacing air conditioning in the library, reconfiguring the computer science room, and replacement of the air handling unit in Cooksey.</p> <p>2. There is a longstanding issue with the temperature in Cooksey, air handling units were installed to resolve this, but it hasn't worked. Premises Department are looking into a solution. ABA suggested asking Kerrie Norman about solutions as well, canopies might be the answer.</p> <p>3. There have been toilet refurbishments in Dawson and the Main building, there has been an overrun of costs, the total cost is now £161,000 an extra £41,000. MJO is working with the contractor to see who this sits with and will challenge the invoice.</p> <p>RAR asked if the overrun falls into this year's budget and if so, the budget won't be changed, the money will have to be found from the existing budget. JHO said if it's an accrual it's last year's budget in which case premises was much more than £7600 over budget.</p> <p>Governors asked for clarification of the accrual amount, MJO said the accrual has been added as the whole figure of £161,000.</p> <p>RAR asked where the initial toilet refurbishment figure of £120,000 is recorded in the budget. SLE recalled at the end of last year £100,000 was budgeted for the refurbishment and should have been on the premises line on last year's budget and would have further reduced the surplus.</p> <p>MJO was asked to report back to F&amp;E committee with an explanation of the overspend, the final position and where it appears in the accounts. JHO said this is urgent as the CFFR return is due on 29/9/23.</p> <p>4. EGI, governor, who is a qualified structural engineer, surveyed GC's Laingspan building which covers the science block, main hall, mezzanine, and kitchen. This is the area that will be demolished in Phase 3. He was satisfied that there was no evidence of RAAC. MJO has confirmed to DfE that our buildings do not have RAAC. The report has been shared with the A&amp;R committee.</p> <p>CSH asked on what basis did EGI undertake the survey – it was done as a professional survey, free of charge.</p>	<p>MJO</p> <p>MJO</p>

	<p>JHO asked if we hold a document signed by Elliot with his professional qualifications – MJO confirmed he has received such a document.</p> <p>5. During Phase 3 a DDA compliant route is needed through Cooksey into G1. A lift needs installing which won't be in place for the handover date on 3/11/23. In the interim the existing route will be kept which goes into GT's zone. MJO commissioned a technical note from a Fire Safety Consultant for this, who recommended 60-minute fire detection hoardings are fitted, this has been forwarded to Mace and DfE.</p> <p>RAR said if we don't have a DDA accessible route we can't handover.</p> <p>MJO said that GT must meet the fire safety specifications he submitted, ABA cautioned that GC shouldn't make any specifications as we do not want any liability in regard to this, we're the end user not the client.</p> <p>6. JHO asked for an update on the Estate Maintenance Plan. MJO said this still needs reviewing.</p> <p>MJO said long term plans are needed for the GC site. RAR said this will be discussed at the upcoming Strategy Day. CSH said the Estate Maintenance Plan is vital because financial projections need to allow for estate investment to ensure it remains fit for purpose.</p> <p>MJO was asked for an updated Estates Plan connected to the Assets Register, prioritised in order, and also to look at costs, sustainability, reducing our energy bills and available grants.</p> <p>JHO asked when the Estates Maintenance Plan will be ready, MJO said the move to Hirst will be time consuming, he was asked to update the Plan and SLT review the document before the Strategy Day in November.</p> <p>7. A lease for 10 years with a rent review after 5 years has been signed for the Park Avenue car park; it will be online for GC staff parking shortly. The plan is to fence the perimeter and put signage up.</p> <p>CSH suggested putting flyers on cars that have been using the car park to explain the car park is now for GC use only. MJO said Site Area Supervisors will also work at Park Avenue.</p> <p>When we get the Hirst building, 11 parking spaces will become available behind Rostron.</p> <p>CSH asked about the person who sits in the rear car park, this is an agency member of staff employed by GC because there is a route via the car park onto the GC site that anyone can potentially access. MJO said that ultimately a swipe gate will be fitted in this area.</p> <p>8. JHO asked about asbestos, there will be 13 areas left with asbestos after the Phase 3 demolition. MJO said he will create a management plan to sit with the asbestos survey. After the handover of Phase 3, an asbestos resurvey will be undertaken.</p> <p>9. JHO asked about Legionella, MJO confirmed that WCS check for this on a regular basis. JHO asked what the</p>	<p>MJO</p> <p>MJO</p> <p>MJO</p>
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	<p>action points are from the report, MJO confirmed there is a comprehensive dashboard and it's being monitored, and action taken.</p> <p>10. JHO asked how we ensure that we test and monitor everything legally required of us. MJO said there's a list of every service, the testing frequency, and regulations, and he's looking at software that supports this. MJO confirmed that he updates A&amp;R on a regular basis with compliance to the regulations.</p> <p>11. CSH said he hasn't seen the Compliance Report before that has been circulated for this meeting. SLE said it was produced following the issues that were discovered after the previous role holder left.</p> <p>12. A Fire Risk Assessment will be commissioned after Phase 3 starts, MJO is expecting associated costs following the report.</p>	
<p><b>7. Catering</b></p>	<p>7. MJO gave a verbal catering report.</p> <p>MJO has been given the name of a catering consultant by a NORVIC colleague. SLE said that from feedback received it seems that the Aramark provision is deteriorating. SLE asked for clarity around the timeline for the retender process and said that he is unsure if Aramark should be asked to retender. RAR said if it's a limited tender GC can control who is invited. The Aramark Area Operations Manager is leaving and MJO has met his replacement. MJO will contact the consultant and put a timeline together. The Aramark clause where they receive the free school meal even if the students don't spend the money with them is unique to GC. RAR asked that SLT put a tender process in place, and governors, including the student governors, should be asked to be involved. SLE said that bringing catering in-house will also be considered. CSH asked if we have to offer catering. SLE said that refreshments need to be an option, because we're so close to the town centre offering more substantial meals can be considered further. SLE thinks if the offer is better, there'll be more student and staff uptake. RAR asked if students and staff can be surveyed to ask if they will use improved GC facilities or still make alternative arrangements. JHO feels that to attract 1400 new students every year not providing catering will be a negative.</p>	<p>MJO</p> <p>MJO</p> <p>SLT</p> <p>MJO</p>
<p><b>8. New Build Risk Register</b></p>	<p>The New Build Risk Register was considered by committee members, previously circulated. The Risk register has been recently updated.</p>	

	<p>Phase 3 is the biggest risk to GC, operationally and public relations wise for future students.</p> <p>E15 – P3 accessibility for all students, RAR questioned why this was shaded green as there is no plan from GT and DfE for DDA accessibility to all areas as yet. MJO to recode it.</p> <p>E12 – Security of the existing building, showing green, also needs recoding.</p> <p>MJO shared examples of GT releasing the gate man which affected access to Rostron Building for GC staff and students and GT letting unauthorised people onsite.</p> <p>JHO said this is GC’s risk register so how can external companies own the responsibility for managing the risk.</p> <p>ABA agreed that accountability is ours, but the responsibility is someone else’s. MJO to amend the risk register.</p> <p>RAR asked if the tour of Hirst Building for governors has been arranged yet. MJO said the visit is not confirmed yet as GT don’t have the necessary PPE for visitors. CKN questioned why such a big company as GT don’t have enough PPE.</p> <p>CSH asked how we know if the building is on track for handover when there has been no access, MJO said Mace and DfE have both confirmed it’s on schedule.</p> <p>CSH asked for the official handover date – it’s 3/11/23.</p> <p>RAR said an option open to him is to write to the government minister to advise him of the difficulties with access to the new building.</p>	<p>MJO</p> <p>MJO</p> <p>MJO</p> <p>MJO</p>
<p><b>9. Policies to review</b></p>	<p>1. Fees &amp; Charges Policy –</p> <p>JHO asked if the charges have ever been imposed, SLE said not in his time at GC.</p> <p>JHO asked why the right to charge for examinations has changed from students with attendance below 90% to below 65%. SLE said it would have to be severe poor attendance to charge for exams. RAR pointed out that there were 75 U grades last year.</p> <p>CSH asked under what circumstances it would be charged. SLE said these would be extreme cases of students who have been taken through the Re-engagement policy.</p> <p>ABA suggested saying that the college reserves the right not to submit the students for their examinations.</p> <p>JHO said a firmer stance should be taken with low attendees, not being entered for exams, or paying for them. CSH said that if the re-engagement process is followed, this won’t be needed because the student will have left or will have re-engaged with their studies.</p> <p>SLE will have another look at this policy and bring it back to F&amp;E.</p> <p>2. Bursary Policy –</p> <p>Clarifications have been made to the policy and it sets out the bursary position for this academic year.</p>	<p>SLE</p>



	<p>RAR said the payment intervals (2) Income Accessed Bursary has payments being sent weekly and monthly and asked for consistency with all payments made being weekly or monthly.</p> <p>MJO said he has to be cautious as a budget for Bursary is included in the funding formula. RAR said we don't use the full bursary amount because students don't always use their Free School Meal Allowance. MJO confirmed £90,000 has been carried forward to this year.</p> <p>CKN asked about students with attendance below 90% and asked if we do reduce payments as stated in the policy - MJO confirmed payments are reduced.</p> <p>Policy is approved.</p> <p>3. Lettings Policy –</p> <p>CSH asked if this policy has been reviewed as the review date hasn't been updated and there are no highlighted changes.</p> <p>MJO suggested that this policy review be postponed until the Hirst Building and MUGA are available to let out.</p> <p>ABA suggested enriching this policy with the process for actively marketing the facilities</p> <p>Policy to return to F&amp;E when a strategy is in place about letting the new facilities (to come back within 12 months).</p> <p>4. Project Management Policy –</p> <p>No changes made to the policy.</p> <p>JHO said that he hasn't seen a project over £20,000 come to F&amp;E for approval.</p> <p>SLE doesn't think the Project Proposal Form has been used and said the form should be used in future.</p> <p>ABA said a Procurement Policy is required or a procurement approach be added to the Project Management Policy.</p> <p>ABA said the Project Management Policy needs to be broader, include relevant documentation in the policy, have the right staff in place to work on it, and it probably doesn't need to come back as early as the next F&amp;E meeting.</p> <p>CSH asked if there is a standard house approach to managing projects.</p> <p>Clerk confirmed that the Scheme of Delegation allows the Principal and DFR to authorise capital investment projects up to £156,442.</p> <p>The limits on the policy are not in line with the delegated authority in the Scheme of Delegation.</p> <p>Updated policy to return to F&amp;E committee.</p>	<p>MJO</p> <p>MJO</p> <p>MJO</p>
<p><b>10. Any other business</b></p>	<p>RAR updated the committee about the VAT issue following the ONS reclassification. He has been in touch with DfE about this, they acknowledged the issue and have asked RAR to take this matter to Treasury.</p>	

<b>11. Confidentiality</b>	Nothing identified.	
<b>12. Date next mtg</b>	Next F&E; Mon, 13 Nov, 4pm, followed by joint F&E/A&R meeting at College ( <i>please note earlier start time, 4pm</i> )	

**Minutes prepared by Sharon Roper (Clerk to the Corporation) on 11/10/23**

**Approved & signed by Chair, John Holroyd on 13/11/23**