

GREENHEAD COLLEGE CORPORATION
Minutes of the Finance & Estates Committee meeting held in Upper Greenhead House
Monday 15 January 2024, 4.30pm

Govs present: Adrian Barrass; Connie Laing; John Holroyd (Chair); Richard Armstrong; Richard King; Simon Lett (Principal)

In attendance: Karen Wood; Mark Mitchell (until 5.25pm); Sharon Roper (Clerk)

Apologies: Chris Kneale; Lisa Wilkinson ; Mohammed Usman

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies, chairing	JHO welcomed participants. Apologies as above.	
2. Declarations	No declarations of pecuniary/prejudicial interest.	
3. Minutes 13/11/23	<p>3.1 Minutes 13/11/23, previously circulated. Flagstone Investments, min 10, governors agreed that all Flagstone Investments must be approved by a nominated member of CLT before the funds are invested. This was agreed by the Committee, subject to the above amendment being made, signed by Chair, returned to Clerk for filing.</p> <p>3.2 Matters arising not covered on agenda: Matters arising/outstanding actions document previously circulated. These items to be covered during the meeting.</p>	<p>Clerk</p> <p>Clerk</p>
4. October & November accounts & narrative	<p>4. Committee considered November 2023 management accounts & narrative, October accounts and narrative were noted, all previously circulated. KWO summarised key points from the accounts.</p> <p>1. YTD total income is £5.6 million and total expenditure is £4.975 million, operating surplus is £628,000, £17000 better than budget. 2. Income received each month is now uniform making the profit gradually increase and is easier to follow.</p>	

3. Full year forecast income is expected to be higher than budget by £1.072 million.

4. Total pay expenditure is higher than budget by £207,000, budgeted pay was 5%, actual pay after the pay rise is 6.5%.

5. Non-pay expenditure is forecast to be higher than budget by £613,000.

6. The operating surplus for the full year is £1.067 million, higher than budget by £252,000.
KWO has highlighted the differences in the circulated narrative.

7. KWO budgeted for last year's grants to be amortised over 10 years, but the auditors have amortised them over 3 years.
RKI said previously they have always been amortised over 10 years. KWO said when she returned to GC in October the auditors had already changed it to 3 years in the accounts, so this has continued on as 3 years.
RKI asked if is amortised at a quicker rate, should there be a corresponding asset that is depreciating quicker to match it – KWO agreed and said what the grant has been spent on is currently being amortised over 10 years.
JHO said that it depends how the money has been spent, this needs identifying so that a decision can be made if it will last 3 years or 10 years – the return regarding the grants are due in April.

8. ABA asked if the reprographics fee of £39,000 is full and final settlement of the Clarity contract – it is.

9. The depreciation figure of £408,000 relates to Hirst building. £125,000 of this relates to the capital items bought in-year, in previous years this was done in adjustments to the statutory accounts, KWO has brought them into the management accounts to make them visible.

10. The Hirst building is on the books at £14.1 million, this is offset by a capital grant released as income, and the depreciation of the building is the same value, the net effect is nil, but it changes the look of the budget.

11. Additional costs are expected for the Hirst building, premises, and IT. This figure needs a breakdown by line.

12. RKI asked if the £166,000 pay contingency is the incremental 1.5% pay increase – it's the contingency in the budget which has now been released.

13. CLA asked how often the catering contract is renewed – the Aramark contract was 3 years and is due to end Summer 2024. SLE has written to Aramark to give them notice and confirm that GC does not want to extend the contract.

14. ABA asked how significant is it that the campus fee income is £7000 lower. The students are aware that this is a voluntary charge, and the reduced amount received may be due to the cost of living and greater financial hardship. SLE agreed that this is something that needs reviewing.
ABA asked what the budgeted figure was - £52,000, which assumed an attrition rate, the reduction is more than 10%.

DoFF

CLT

	<p>15. RKI said a sizeable in-month adverse variance can lose its impact in the cumulative numbers so recommended detailing in-month results in addition to cumulative results. JHO asked that the next set of accounts show in-month figures</p> <p>16. KWO said the accounting system is 20 years old and makes tasks like the in-month results difficult, and that's why YTD results are used. KWO recommended investment in a new accounting system. JHO said a review of and potential upgrade to the accounting system needs to be looked into.</p> <p>17. JHO asked if it's a good time to reforecast – SLE agreed that it is, this does not mean there will be a material difference to the surplus, the pay contingency could be used in some of the non-pay lines.</p> <p>18. RKI noted that the opening balance on the cash flow is £5.428 million and on the balance sheet at 31/7/23 it is £10,000 higher and asked how this balances to the bank statements. KWO will look into this and confirm to governors by email that it has been corrected. ABA said this is an example of the figures being processed manually as the accounting system doesn't do it automatically.</p> <p>19. RKI said there has been a big improvement since August and September's accounts.</p>	<p>KWO</p> <p>DoFF</p> <p>KWO</p> <p>KWO</p>
<p>5. Estate Management Update</p>	<p>SLE provided a verbal update on estate management.</p> <ol style="list-style-type: none"> 1. The Hirst Building snag list has decreased. 2. Phase 3 is currently focusing on Asbestos removal; an Asbestos report is going to A&R (26/2/24). 3. The demolition start date is likely to be around half term, they won't give us an official date yet. 4. Handover date for the all-weather pitch has been delayed from February half term to Easter due to the weather, although SLE noted that there are fewer GT workers on site at the moment. 5. RAR asked who communicated the handover delay – this was during a 'keeping in touch' meeting on 11/1/24 with DfE and Mace. RAR further asked if DfE are comfortable with the slippage as GC are unable to start using the promised facilities – DfE said they are not concerned about the overall timeline, PE department confirmed that they had not planned any activities on the MUGA after half term. SLE said this needs watching as a corresponding slippage in the demolition could affect the proposed end date of April 2025. 6. Resurfacing, fencing and CCTV works will start at Park Avenue car park at February half term. RAR asked if the LA has right of access to use the car park as he has observed LA employees using it. SLE was 	

	<p>unaware of any rights to them using the car park but said that some local residents have been using it regularly. This will be followed up.</p> <p>7. Three quotes, in the region of £120,000, have been received to install air conditioning in Cooksey building. SST, Sustainability Lead, is also arranging for a quote for a more environmentally friendly solution.</p> <p>8. Student voice has been canvassed via RBY, GCSA president regarding Hirst building. There is an issue with noise distribution between floors through the study areas. In response to this R20 has become a silent study area. Due to feedback premises team are looking into installing water fountains in other parts of Hirst. Hirst is very busy; students do sit on the floors as there isn't enough space. CLT are looking at options like pop up catering units to help alleviate congestion.</p> <p>9. Two areas of the exterior have walls that are starting to lean. GT have work to complete in one of these areas. Further update in the next F&E meeting (4/3/24).</p> <p>10. Hirst is getting noticed with requests to book the facility; a Youth Conference run by Tracy Brabin has been booked for February. The Lettings Policy has been revised but further work is needed around the costs to hire our facilities.</p> <p>11. The new Director of Finance, Lauren Metcalfe, and Director of Estates, Sarah Walters, have been appointed and will start at GC on 19/2/24. UAN and PDI are continuing to oversee the Hirst building and Phase 3 until then. The Strategy Day has been rearranged to 17/4/24 so that the long term financial forecast and the estates plan can be produced by the new directors.</p>	<p>SLE</p> <p>CLT</p> <p>SLE</p> <p>LME/SWA</p>
<p>6. Catering</p>	<p>7. MMI gave a verbal catering report:</p> <p>1. MMI surveyed the students asking if catering improves will they use the service. 88% confirmed they will. Currently one third of the students use GC's catering facilities, one third bring their own lunch and a third go outside GC.</p> <p>2. Hirst building is overcrowded at lunchtime, CLT have looked at staggered lunches, but this timetable model won't work for GC.</p> <p>3. Timelines for the catering tender are:</p> <ul style="list-style-type: none"> • Post advert on government tender site w/c 5/2/24. • Interested catering companies invited to look at the set up at GC on 5/3/24. • Deadline for submission of tenders is 20/3/24. • MMI and SWA to shortlist tenders, governors welcome to take part. • Catering presentations 9/4/24. • Award contract by late April. • New caterers in place for AY 2024-25. 	<p>Govs</p>

	<p>4. MMI is also looking at an in-house model. ABA asked if the in-house model will be a like-for-like comparison. MMI has some financial forecasts which he wants KWO to look at first, and Red Box, our catering consultants, are helping with the in-house model.</p> <p>5. Aramark have offered a contract extension. Notice has been given to them on their existing contract.</p> <p>6. RAR said lessons learnt from the contract with Aramark is that the ability to adapt to what students and staff are asking for is important.</p> <p>7. Red Box have suggested various ways to improve and speed up service, eg investment into self-service checkouts and vending machines. £15,000 for three vending machines should repay the investment in the first year and will help reduce queues. Further investment is also needed in the shop.</p> <p>8. RAR said when the building work finishes there will be an additional catering outlet in the old main hall, and this needs building into the catering model. UAN has asked for a breakdown of the facilities which will be available in the rebuilt hall, we currently do not have the breakdown of what the catering outlet will offer.</p> <p>9. RKI asked why our catering model isn't working if the facility is so busy – this is the only social area for students until the building work finishes, but they don't all use GC catering.</p> <p>10. ABA asked that the assessment criteria for the tenders is shared with governors. RKI asked that the assessments are weighted.</p> <p>11. Our consultant said Aramark's gross profit margin is high at 58%, an in-house model and the bids they are currently seeing are usually 48%.</p> <p>12. JHO asked if we have the breakdown of the £39,000 Aramark profit share – KWO confirmed we have.</p> <p>13. Red Box have highlighted that returning to local government pension schemes will mean a huge increase to the labour cost. MMI will look into this further.</p> <p>14. SLE said Aramark will apply to retender.</p> <p>15. Red box said because of the investment needed it might be better to go with an external company for three years and then potentially move catering in-house.</p> <p>16. JHO said that DfE has promised like-for-like replacement so the catering facilities in the old hall should include the facilities we previously had. MMI said the catering kiosk will be in the centre of the old hall, but it may not have cooking facilities.</p> <p>17. RAR said there is pressure for office space for admin staff and asked that CLT find out if there will be any office space within the rebuilt facility, as this is an ongoing issue.</p>	<p>MMI/KWO</p> <p>UAN/MMI</p> <p>MMI</p> <p>MMI</p> <p>CLT</p>
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<p>7. New Build Risk Register</p>	<p>The New Build Risk Register was considered by committee members, previously circulated.</p> <p>Following a limited assurance score in the recent internal audit and their recommendations, SLE has redeveloped the Risk Policy and has worked on the risk registers with EWY. The biggest difference to the register is the scoring matrix. EWY has proposed looking at the format in more detail at the next A&R meeting.</p> <p>Governors gave positive feedback about the changes to the risk register.</p> <p>JHO liked that the areas for F&E committee to consider are clearly shown on the register.</p> <p>ABA asked if the numbers on the financial scoring matrix make sense to CLT – CLT have agreed the figures.</p> <p>RKI added that £500 is a significant number if it is cash and said the amounts on the register appear to be non-cash.</p> <p>RAR wants governors to look at the red and amber risks after residual risks are applied.</p> <p>CLA asked how often the risk registers are reviewed – the Hirst register is reviewed by CLT monthly and the main risk register every 6 weeks.</p> <p>Loss of key utilities and services during demolition (13) – JHO asked why it was amber when mitigation is in place, RAR added that this has also been picked up by the A&R committee.</p> <p>SLE said a further review is required to match it to the scoring framework.</p> <p>RAR suggested that our new internal auditors are asked to give feedback on the risk registers. SLE has asked them to look at risk as one of their preliminary audits.</p>	<p>SLE</p>
<p>8. Policies to review</p>	<p>Lettings Policy :</p> <ol style="list-style-type: none"> 1. CLT has reviewed the policy but expects the new Director of Estates & Operations to add to it when they are in post. 2. The Lettings form has also been reviewed from a safeguarding perspective and more detail has been added. 3. Comparisons need making to other organisations who let their facilities especially around pricing, as costs must be covered. 4. JHO asked that something positive be added into the policy about how good our facilities are and that we are keen to start letting them out. 5. RAR asked for a statement of intent within the policy about the pricing. 6. CLA suggested that a minimum hire period of half a day can be added to the policy. 7. SLE will speak to SWA about the changes needed to the policy (detailed above). 	<p>SLE/SWA</p>

<p>9. Updated Terms of Reference</p>	<p>ToR updated to reflect the ONS reclassification and the need to comply with managing Public Money. Additional main duties have been added which better describe what the committee oversees.</p> <p>JHO said that the main points that we need to comply with in regard to Managing Public Money should be added. RAR said there are principles that we can no longer do, RKI said these principles should be added into the Articles and Instruments of the Corporation. Clerk will look into this. The summary of changes after reclassification to be added to the document. Subject to the above changes, the Terms of Reference is approved by governors.</p> <p>RAR said we could be reclassified again by a future government . KWO asked if there are government plans to change our financial year end to April. SLE said there was a strong protest against this, but it is still a possibility.</p>	<p>Clerk</p> <p>Clerk</p> <p>Clerk</p>
<p>10. Any other business</p>	<p>SLE and governors thanked KWO for the fantastic job she has done as Temporary Finance Manager.</p> <p>RKI asked if all the outstanding matters arising have been dealt with. KWO said that depreciation, pay costs, and identifying the calculation of pay budget and additional staff have been deal with. KWO confirmed that monthly accounts can be ready for the 25th of the following month. JHO said that ESFA have confirmed that the Flagstone Investments can be included in our cash based calculations, our cash is 150 days against a requirement of 125 days.</p>	
<p>11. Confidentiality</p>	<p>Nothing identified.</p>	
<p>12. Date next mtg</p>	<p>Next F&E; Mon, 4 March, 4.30pm, at College.</p>	

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 23/1/24

Approved & signed by Chair, John Holroyd on 4/3/24