

**GREENHEAD COLLEGE CORPORATION**  
**Minutes of the Finance & Estates Committee meeting held in Upper Greenhead House**  
**Tuesday 7 May 2024, 4.30pm**

**Govs present:** Chris Kneale; John Holroyd (Chair); Lisa Wilkinson; Simon Lett (Principal)

**In attendance:** Mohammed Usman (Associate Governor); Lauren Metcalfe (DOFF); Sarah Walters (DOEO); Sharon Roper (Clerk)

**Apologies:** Adrian Barrass; Connie Laing; Richard Armstrong ; Richard King

| <b>AGENDA ITEM</b>                                      | <b>DISCUSSION</b>   | <b>ACTION</b> |
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| <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 4/3/24</b>                                | <p><b>3.1</b> Finance &amp; Estates minutes 4/3/24, previously circulated. Minutes approved by Committee, signed by Chair, returned to Clerk for filing.</p> <p><b>3.2</b> Matters arising not covered on agenda: Matters arising/outstanding actions document, previously circulated. There were no comments or questions from governors regarding this document.</p>  | Clerk         |
| <b>4. February &amp; March accounts &amp; narrative</b> | <p><b>4.</b> Committee noted February 2024 accounts and narrative and considered March 2024 management accounts &amp; narrative, all previously circulated.</p> <p>LME summarised key points from the March accounts and narrative:</p> <p>1. As at the end of March, surplus was £680,000, this is higher than the same period last year. This is £188,000 higher than the budgeted position. The impacts expected to swing this to a deficit in comparison to the recast budget are exam pay costs, teacher overtime to spend the tuition fund and a significant spend on the boundary walls.</p> |               |

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|  | <p>2. JHO asked about staff costs relating to exams, will they be phased in next year's budget – LME will speak to JNO to see if there is a better way to spread this throughout the year. Increments and pay level rises will be reflective in the budget.</p> <p>3. Expected in-year cash at year end is £826,000.</p> <p>4. Impact of teachers' pension contribution is shown in the figures, but equally an additional £96,000 has been received from ESFA to cover these.</p> <p>5. Expected outturn for the year is £986,000, which is lower than predicted in January/February.</p> <p>JHO asked for an overview of the movements, LME has provided the position at January and the ins and outs since then and what the influences are</p> <p>6. ESFA income for the year has increased to £16.4 million due to the additional £96,000 teacher pay grant.</p> <p>7. On 29/2/24 GC took ownership of the MUGA and tractor and these now appear in the management accounts, the depreciation has been spread with an equal value for the release of the grant. There will be a positive variance of £35,000.</p> <p>8. There are several variances to other income which wasn't part of the recast exercise earlier this year. The highest variances are income for Learner support to fund EHCP students and bank interest.</p> <p>9. Pay costs are expected to be £11.7 million by the year end.</p> <p>10. Learner support costs has been driven by a regrading exercise for support staff.</p> <p>11. LWI asked if academies pay for pension costs - academies are liable for pension costs.</p> <p>12. JHO asked for the potential VAT benefit of academisation to come to F&amp;E.</p> <p>13. JHO asked if we will spend all the Tuition Fund or will the remainder be returned to DfE. LME thinks it will all be spent but she will report back to F&amp;E on the outcome.</p> <p>14. Administration and premises staff costs reflect LME in administration and SWA in premises, their predecessor sat wholly in administration. If you net the two accounts, the difference is from before Christmas and reflects the higher cleaning staff costs.</p> <p>15. Support staff costs are 26.2% of total staff costs, following governors' questions LME has benchmarked to other colleges and these costs are in line or lower in comparison.</p> <p>16. A new accounts, payroll and HR system is being looked into. LME is interested in a system that drills down and makes information more accessible.</p> <p>17. Non pay expenditure is expected to be an overspend of £48,000 by year end. Bursary will be £11,000 over budget and LME will update F&amp;E when she has further information about this.</p> <p>18. General expenditure is mainly driven by exam costs; this cost will be split out into a separate line next year.</p> | <p>LME</p> <p>LME</p> <p>LME</p> <p>LME</p> |
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|                                       | <p>The exam costs are lower than last year, LME will meet with the Exams Manager, so she knows how much to budget for next year.</p> <p>19. LME is expecting more overspend on premises non-pay due to the boundary wall and expenses like lockdown systems.</p> <p>20. Utilities is a positive variance, when the budget was set Hirst utilities costs were unknown, it is cost neutral at the moment, but it has not been open for a full year yet.</p> <p>21. JHO asked about reprographics, the recast budget allocated £3000 per month for copies, the actual cost is £8000.</p> <p>CLT are looking at strategies to reduce copying and printing usage.</p> <p>JHO asked if £8000 per month is substantially different to the previous contract. LME said £8000 is paper and copy costs, with the bulk expense being paper. She will provide photocopying comparisons to our previous contract for F&amp;E.</p> <p>CKN said there is a lot of paper wastage in the shared student areas which could be better controlled.</p> <p>SWA and LME will issue a termly communication about operations and finance, how they link and best practice in relation to printing etc. JHO said there is also a link to sustainability in how the college uses copying and printing.</p> <p>MUS asked for the costs comparing black and white to colour printing.</p> <p>22. LME has added further detail to the management accounts in response to questions that she has received directly from governors.</p> | <p>LME</p> <p>SWA/LME</p> <p>LME</p> |
| <p><b>5. Draft Budget 2024/25</b></p> | <p>LME summarised the draft Budget 2024/25, previously circulated.</p> <p>1. LME is stripping the accounts back to zero base, checking contracts and agreements, and building each account back up. This draft budget will change as LME continues to work on it.</p> <p>JHO said the budget should be agreed at F&amp;E (17/6/24) and then go to Corporation.</p> <p>JHO asked if the draft budget has been to CLT – it has.</p> <p>2. This is a break-even budget, the main influences are a static income, the income per head has increased by 1.89%, but the number of students the budget is based on is 100 lower than the current year. In addition, pay has increased by £1.2 million because of staff increments, extra recruitment and pension increases.</p> <p>3. There is a drop in non-pay which will be tight.</p> <p>4. There is no increase to the in-year grant.</p> <p>5. Capital grants increased from 29/2/24 when the MUGA was handed over.</p> <p>6. Other income is static. Catering is a nil contract, although there may be a small amount of income.</p> <p>7. Overall income is £16.7 million, which is lower than this year.</p>   |                                      |

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|  | <p>8. LWI asked how the budgeted pay increase of 4% can be funded if student funding has only increased by 1.89%. The pay increase is still to be negotiated, ESFA ask colleges what their budget is and then they negotiate on our behalf. SLE is aware that most colleges have budgeted for 4% or slightly less. There is no confirmation that colleges will receive a Teachers Pay Grant this year.</p> <p>9. LME will present a sensitivity analysis to governors.<br/>-JHO said that the decrease in student numbers this year will have a significant impact. SLE said that the changes to enrolment that were communicated at Strategy Day should address this issue, but as it's lagged funding investment in staff comes first and funding increases the year after. JHO said that if the enrolment target isn't hit, we are still committed to the increased staff costs.</p> <p>10. JHO asked about the forecast bank interest, which is £40,000 lower in the draft budget, LME is expecting lower interest rates on our short term investments. JHO asked how much bank interest we get from Barclays and how can GC make the money work harder overall. LME and SCE are currently reviewing GC's investments and LME will bring a proposal to governors to utilise the cash better. Once this is approved a realistic figure can be added into the budget.</p> <p>11. The equivalent of 6 FTE teachers will start next AY, this will be an additional £390,000. The budgeted 4% payrise will be an extra £250,000, and there is £80,000 in relation to scale movements.</p> <p>12. Streamlining will take place with exams to try and cut down on overtime.</p> <p>13. A new grounds person has been recruited which will save non-pay cost as there will be less outsourcing.</p> <p>14. Pay will be £1.2million higher than the current year. LME said some staff will be reducing their hours from September which will have a positive effect. JHO asked if others will have to cover the work for staff reducing their hours – this equates to 2 FTE, and they have been replaced accordingly.</p> <p>15. Non-pay is still under review, there is more work to do to start from a zero based approach.</p> <p>-16. Catering is a nil contract. OCS will provide £30,000 investment.<br/>JHO asked if we will own what they fit out – OCS will be flexible, serving points will be depreciated over 3 year, but it might be better for GC to invest in coffee machines with a longer lifespan, so we own them. This will be discussed further with CLT and OCS.</p> <p>16. LME has not changed the premises expenditure which was increased for Hirst as there will be similar outgoings for the new student space in the next AY. JHO asked if this will be capital – it will, and depreciation will hit the budget.</p> <p>17. Utilities is healthier due to a cheaper contract for gas starting in April 2025, the electric contract is fixed until 2027.</p> | <p>LME</p> <p>LME</p> |
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|   | <p>18. With regard to premises costs, streamlining and sourcing best value for money is underway.</p> <p>19. At present health and safety and planned maintenance are all in one pot and these will be allocated separately in due course.</p> <p>20. The main building roof and fire doors have not been included in the draft budget; this will be reflected in the budget at a later date after funding has been looked into.</p> <p>21. The draft capital spend proposal is lower, this year we received DfE grants which are not expected for next AY.</p> <p>22. LME will reissue the draft budget ready for the F&amp;E meeting.</p> <p>23. LME has been meeting HODs to discuss their budgets and found this useful.</p> <p>24. This is a tight budget due to increased staff costs and lagged funding.</p> <p>25. JHO asked how the capital expenditure budget works and how spending has been identified – the asset management plan details what needs doing, this will be refined for the next F&amp;E meeting and will tie into the budget with a capital proposal.</p> <p>26. MUS asked about internal audit fees which have increased, new internal auditors have been contracted as the previous ones left the education sector.</p> <p>27. MUS asked about maintenance costs - LME is still working on this, there are currently overlaps with health and safety and these may not be fully allocated by the next meeting, but a narrative will be provided.</p> <p>28. JHO asked for the next iteration of the draft budget to be sent out 2 weeks in advance of F&amp;E on 17/6/24, if possible, so committee members have chance to feedback, and LME can look into their questions.</p> <p>29. JHO asked about the future forecasts tab, LME will do a detailed sensitivity piece on this.</p> <p>30. JHO asked about other colleges and if their financial situation is similar to GC – SLE said there is a shared recognition that budgets are tighter, some colleges are finding it more challenging than GC if they don't have popular high value courses.</p> <p>31. JHO asked that sources of funding be maximised, and we react quickly to any opportunities.</p> | <p>LME</p> <p>LME</p> <p>LME/SWA</p> <p>LME</p> <p>LME</p> <p>LME</p> |
| <p><b>6. Potential change to banking provider</b></p> | <p>LME gave a verbal update about GC potentially changing banking providers following a concern raised by the GCSA about banking with Barclays given their sustainability and morality track record.</p> <p>LME is undertaking research and understands the concerns that GCSA have. She is aware of a company who can look at GC's banking requirements and suggest better and sustainable alternatives. She has also asked her sixth form college network for their feedback around banking.</p> <p>GC has a loan with Barclays so may have to wait until this is repaid to change bankers.</p>   |   |

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|   | <p>JHO understands the issue around ethics but cautioned against taking any action which might cause Barclays to ask for the loan to be repaid immediately, as we are now classified in the public sector and cannot borrow commercially.</p> <p>LME will feedback to GCSA.</p> <p>Changing bankers remains on the radar.</p>   | LME |
| <p><b>7. College Financial Handbook &amp; Summary</b></p> | <p>Link to College Financial Handbook and summary paper, previously circulated.</p> <p>The handbook was issued March 2024 and key points have been detailed in the summary.</p> <p>It confirms rules around spending public money, notifications to ESFA and deadlines.</p> <p>JHO feels that GC complies to the handbook, and asked LME to ensure that evidence of compliance is held.</p>   | LME |
| <p><b>8. Estate Management Update</b></p>                 | <p>SWA provided a verbal update on estate management:</p> <ol style="list-style-type: none"> <li>1. Defect resolution has speeded up for Hirst Building. Works were undertaken at Easter and some of the significant issues will be addressed at May half term. SWA has a good understanding of the real issues in Hirst now, enabling her to push back with GT and request different solutions to outstanding issues.</li> <li>2. At the end of the 12-month period from handover, if defects are on the Defects Register GT must resolve them. After 12 months we have warranties and GC will deal directly with sub-contractors. Premises team have been asked to add everything onto the Defects register which also provides an audit trail. There are currently 15 defects on the register. JHO asked if SWA is confident that the 15 defects will be resolved – they will, but some might take longer. CKN asked if new defects are still being identified – there are some new issues.</li> <li>2. SLE asked if there have been any heating issues now the weather is warmer, CKN said there is no issue so far. SWA said that correct management of the building is required, the fans and vents need to be set correctly, and the solar blinds need to be used. LWI asked about the heat in exam rooms – some of the bigger rooms have air conditioning.</li> <li>3. The old Science Block has been demolished, and GT are moving onto the infill.</li> <li>4. There will be a complete cessation of works for 7 weeks during the exam period, starting on 13<sup>th</sup> may. They will remobilise and do some works during half-term. This delays the completion date to 25/7/25 although this is not a confirmed date from DfE. This will mean that building works will be ongoing during next year’s exam season as well.</li> </ol> |     |

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|  | <p>SWA has already requested that they concentrate on internal works during exams next year.</p> <p>5. SWA is continuing to work on the Cooksey Building overheating issues. Sustainable solutions are being investigated, KNO has suggested a contractor who can undertake a mechanical electrical survey, the cost will be much less than one contractor who quoted £15,000 for this. SLE said a solution for Cooksey will be brought to the next F&amp;E meeting (17/6/24) for governor approval as the cost will not be affordable in next year's budget. JHO said depending on the solution it will impact this year's budget.</p> <p>6. There are significant issues with leaning walls in two areas of the GC boundary. A contractor has been appointed. Planning applications are needed as a tree will be affected and permits are needed to close the road and pavement. Hopefully the works will happen during the summer holidays.</p> <p>7. A software system called Smartlog will be implemented which will help manage and monitor building compliance, health and safety training, first aid, and contract and asset management. It will provide useful reports for governors and KPI data around estates management.</p> <p>8. The Fire Risk Assessment has been shared with governors; some actions (highlighted) are not feasible to be completed in 3-6 months as suggested by the contractor. A survey of the fire doors will take place, and a phased CIF bid will be submitted in December. In relation to Health &amp; Safety the survey and CIF bid will evidence that GC is working towards remediation with the Fire Risk Assessment. If the CIF bid is unsuccessful GC will have to pay the costs as this work must be done. JHO asked what proportion of the cost will be funded by CIF - the larger the contribution the more points you score on the bid, GC will probably contribute 20%, the full project cost is £1.5 million. Having the fire survey will help our score and we there is strong evidence that this is essential work. JHO asked if the contribution will be in the budget – it will, and this could be spread over two years, LME will make clear the assumptions made.</p> <p>9. JHO asked SWA about her overall impression of the state of the premises. She said it's mixed, Main building needs attention, and a new roof (another CIF bid). The mechanical and electrical infrastructure isn't too bad, but investment in the estate is required. The Asset Management Plan focuses on repairs and maintenance in the Main Building over the summer including redecoration and flooring. A rudimentary condition survey of decoration and flooring throughout the site has been completed to evidence to staff why certain areas have been chosen to be improved first.</p> | <p>SWA</p> <p>LME</p> |
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| <p><b>9. Catering</b></p>                 | <p><b>9. SWA gave a verbal catering report:</b></p> <p>At Strategy Day 17/4/24 governors approved awarding the catering contract to OCS.<br/> OCS has formally been awarded the contract, SWA had her first meeting with them on 8/5/24.<br/> Solicitors have been engaged to check the contract and ensure it covers GC's interests.<br/> SWA has met with the Area Manager for Aramark and agreed that it will be business as usual which she will monitor. There will be a wind down process, but their full service will continue until the end of the summer term.</p> <ol style="list-style-type: none"> <li>1. CKN asked about the overlap of Aramark's contract ending on 31/8/24 and OCS starting before that – this will be negotiated through solicitors.</li> <li>2. LWI asked about the existing catering staff – they are covered under TUPE law and transfer to OCS under the same terms and conditions.</li> <li>3. SWA had a positive experience working with OCS in a previous role.</li> </ol> <p>F&amp;E committee <b>confirmed approval</b> of awarding OCS the catering contract.</p>   |  |
| <p><b>10. New Build Risk Register</b></p> | <p>The New Build Risk Register was considered by committee members, previously circulated.</p> <ol style="list-style-type: none"> <li>1. JHO said the biggest residual risk is the noise from the building works.</li> <li>2. SWA has updated the risk register: <ul style="list-style-type: none"> <li>-an ownership and oversight tab has been added, defining roles in managing the risks from CLT to committees. It's made clear which risk areas committees have oversight of.</li> <li>-a risk appetite tab has been added, this is still a work in progress, the financial risk appetite has been reduced to moderate following a recent CLT meeting, this will continue to be monitored and reviewed.</li> <li>-column A is the date raised; existing risks have been given the date of 1/9/23.</li> <li>-a risk ID has been allocated to each risk. 'H' has been added to identify it's on Hirst Risk register.</li> <li>-the risk description has been streamlined, it provides the hazard and the risk being mitigated in red.</li> <li>-column L has actions from the previous register, this will become a running commentary of the actions taken over time.</li> <li>-column N details the status: live risk (actively managing), monitor risk (mitigations in place and happy with risk level) and archive risk (move to archive). This will allow for filtering of the risks.</li> </ul> </li> </ol> |  |



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|   | <p>-column O, governors may want to focus on this one which has updates from CLT since the last review and proposed actions.</p> <p>-column P is the person responsible for the actions.</p> <p>-column Q is the expected resolution date.</p> <p>-columns R,S,T this is the revised risk level, revising the risk levels will be captured here.</p> <p>-column U shows any movement of the risk trend.</p> <p>3. JHO asked who scores the risk – each risk owner in CLT look at their risks.</p> |     |
| <b>11. New Policies to recommend to Corporation</b> | <p>Local Government Pension Scheme (LGPS) Employer Discretions Policy:</p> <p>This new policy was sent to F&amp;E committee members by email on 12/3/24 because there was a deadline to submit it to West Yorkshire Pension Fund (WYPF) by 29/3/24 and F&amp;E committee members <b>recommend approval to the Corporation.</b></p>  |     |
| <b>12. Policies to review</b>                       | None to review.   |     |
| <b>13. College Financial Statements 2022-23</b>     | <p>College Financial Statements 2022-23, previously circulated, confirm that GC's financial health grade is Outstanding.</p> <p>JHO asked if our financial health grade will be impacted when our surplus reduces to zero as per the draft budget – LME said the health grade is mainly based on liquidity, but she will investigate this further.</p> <p>JHO said that we want to maintain our Outstanding grade across every category.</p>  | LME |
| <b>14. Any other business</b>                       | <p>SLE advised the committee that the GC estate had a partial lockdown on 3/5/24.</p> <p>This discussion is confidential.</p>   |     |
| <b>15. Confidentiality</b>                          | Partial lockdown.   |     |
| <b>16. Date next mtg</b>                            | Next F&E; Monday 17 June 24, at College   |     |

**Minutes prepared by Sharon Roper (Clerk to the Corporation) on 17/5/24**

**Approved & signed by Chair, John Holroyd on 17/6/24**