

MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING

Thursday 21st November 2024 at 6.00pm
Meeting held via Microsoft Teams

Present:

Paul Collyer (Chair)
Claire Douglas (Vice Chair)
Dave Roberts
Liz Gilroy-Scott
Dan Hards, Principal

Stephanie Wiles, Director of Finance and Estates, (Advising Officer)
Catherine Davies (Clerk)

1. REGISTER OF INTERESTS

There were no declarations of interest.

2. APOLOGIES FOR ABSENCE

Apologies were received and accepted from Tim Oliver, Mark Nelligan and Tom Clark.

3. MINUTES OF THE LAST MEETING

The Minutes of the previous meeting of 26th June 2024 were approved as an accurate record.

4. MATTERS ARISING

None

5. REVIEW OF MANAGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR YEAR ENDED 31ST AUGUST 2024 INCLUDING RECONCILIATION TO FINANCIAL STATEMENTS

The Director of Finance and Estates introduced the management accounts for year ended 31 August 2024. She highlighted the following points:

- ESFA funding was above budget due to the increase in the funding rate to support the 2023-24 pay award.
- Lettings income was above budget.
- Interest income increased due to the strength of interest rates.
- Teaching salaries were above budget due to the higher than budgeted pay award.
- Inflationary increases, such as the cost of the cleaning, were greater than budgeted and there were unexpected estates costs such as water treatment, bird nesting control and spend on furniture.
- EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) was below the forecast and above budget.
- The College Financial Health is “Outstanding”.
- The reconciliation between the management accounts and the statutory accounts included no unexpected items
- Cashflow was up on forecast due to the slower than expected spend on the new build.

The Chair thanked the Director of Finance and Estates and her team for their excellent work.

The Committee approved the Management Accounts, cash flow and commentary for year ended 31st August 2024.

6. DRAFT REPORT AND FINANCIAL STATEMENTS FOR 12 MONTHS ENDED 31 AUGUST 2024

The Director of Finance and Estates introduced the draft report and financial statements for 12 months ended 31 August 2024.

The Director explained that the financial statements have been recently reviewed by the Audit Committee and the external auditor had suggested some presentational changes such as classifying the classroom block build to its own line (assets under construction).

The Committee noted the Statement of Regularity, Propriety and Compliance – Non-Financial Issue – and the agreed with the wording.

The Director added that when completing the Annual Accounts Return spreadsheet (for the ESFA and DfE) a variation has been noted between the Draft Report Accounts and the Annual Accounts Return spreadsheet regarding classification of restricted income. For example, income received from the Local Authority is regarded by the College as restricted, but the spreadsheet regards it as unrestricted. Further clarification is being sort from the external auditor, but the total reserves remain the same (the issue is presentational).

The Chair asked the Director of Finance and Estates if any control issues were raised by the external auditor and the Director replied that the auditor made an observation regarding authorisation of bank reconciliations, and they were satisfied with the response.

The Committee considered going concern and approved this approach for the accounts.

The Committee thanked the Director and her team for their excellent work.

The Committee approved the Draft Report and Financial Statements for 12 months ended 31 August 2024 (subject to a presentational adjustment related to reserve income).

7. REVIEW OF MANAGEMENT ACCOUNTS, CASHFLOW AND COMMENTARY FOR 2 MONTHS TO 31ST OCTOBER 2024

The Director of Finance and Estates introduced the Management Accounts for 2 months to 31st October 2024. She made the following points:

- Adult Education income has been reduced to zero, this is because there were insufficient enrolments this year to warrant running the courses.
- The General Fund income is below budget and the Finance team are working with the IT Department to introduce an easier system for parents to make payments post enrolment.
- Interest income is above budget due to higher-than-expected rates and the short delay to the building project.
- Expenditure is below budget as the pay awards have not been finalised and there are a number of underspends including Exams due to Btec invoicing being phased.
- EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) was above budget.
- The College Financial Health is predicted to be “Good” for the year.

The Chair asked if the impact of National Insurance rates and new thresholds in April 2025 have been modelled and the Director replied that the ESFA have yet to announce the funding available to cover this cost. The January budget salary forecast will take both the NI cost and the funding available (if known) into account.

The Committee approved the Review of Management Accounts, cashflow and commentary for 2 months to 31st October 2024.

8. UPDATE ON NEW CLASSROOM BLOCK BUILD

The Director of Finance and Estates updated the Committee regarding build of the new classroom block. The ground work was late in starting and an issue regarding the actioning of a survey related to the positioning of the steel bolts in the beams caused an additional delay but a solution was found and the project is now 2 weeks behind the original plan to complete in June 2025.

A Trustee asked if there were any financial implications for the delay and the Director replied that the overall budget remains on track.

The Principal added that the disturbance of noise has been minimal and concerns regarding staff car parking had not materialised.

9. UPDATE ON RENOVATION OF CARETAKER'S COTTAGE

The Director of Finance and Estates updated the Committee regarding the renovation of the Caretaker's Cottage:

- The cost of the project is estimated to be approximately £150,000 and a builder has been selected.
- The renovation is currently at the planning application stage with a decision expected during December. If approval is granted, the project should be complete by the summer of 2025.
- The Cottage will be developed into 2 flats to be rented to a member of the estates team and a teacher who specialises in a subject that is in short supply, for example economics.

The Committee supported the decision to renovate the Cottage (subject to planning approval) at an estimated cost of £150,000 and noted the Director will submit a Capital Plan at the next Committee meeting that will outline spend on fixed assets.

A Trustee asked for more information regarding the rental value of the proposed flats and the Director replied that the tenancy agreements for the flats will be a competitive package to ensure candidates apply for the roles of estate team member/teacher. The Principal added that legal advice will be sought when drawing up the tenancy agreements.

Action: Director of Finance and Estates to submit a Capital Plan at the next meeting.

10. UPDATE ON PLANS TO APPLY FOR CIF ALLOCATION

The Director of Finance and Estates gave an overview of past successes in being awarded CIF funding. Since 2022 College bids have not been successful; it was believed that nationally funds have been diverted to RAAC projects and the reserve levels of applicants are being taken into consideration when awards are made.

For the 2024 allocation a decision was taken to not make a bid.

Turning to the 2025 allocation, the Director explained that she may consider using a consultant with a track record of success to assist in submitting a bid.

11. UPDATE ON ESTATES AND ENVIRONMENTAL COMMITTEE

The Director of Finance and Estates briefed the Committee on the works over the summer break which included replacing all the fire doors in the Tower stairwell. This work is part of the fire door replacement programme which is taking place over the next couple of years. The selection of which fire doors to

replace is driven by a risk assessment that prioritises doors in the tallest parts of the buildings first. The Chemistry Prep room has been refurbished with the final stage of work due to be completed soon.

The Director congratulated the staff and students of the Environmental Committee for maintaining the Green Flag award and achieving the Merit Level. The allotments continue to be an area of focus for staff and students. The Principal added that he had attended an Environmental Committee meeting and noted the strong support from staff and students.

A Trustee asked about the condition of the road as you exit the College by car and the Director updated the Committee on the plans to install new exit gates (subject to planning approval) which will improve security at the site and make exiting for coaches easier. The condition of the road will be addressed when the gates are installed.

The Chair suggested a walk around the site would be beneficial for the Committee.

Action: Clerk to ensure a site visit is built into the Committee schedule.

12. HEALTH AND SAFETY REPORT

The Director of Finance and Estates informed the Committee that there had been 9 accidents that Academic Year; none required notification to the HSE. Normal maintenance and servicing continues.

The Committee thanked the Director for her briefing.

13. ANY OTHER BUSINESS

The Principal gave the Committee an update regarding The Duke of Edinburgh Iceland Trip in 2021. The Committee approved the approach that the College continues to take.

The Principal thanked the Chair for his service to the College over the past 12 years as his term comes to an end next month.

14. DATE OF NEXT MEETING

The date of the next meeting is Wednesday 12th March 2025 at 6pm

*The meeting closed at 7.08pm
Attendance was 63%*

Signed and date

SUMMARY OF ACTIONS

1	Director of Finance and Estates to submit a Capital Plan at the next meeting.
2	Clerk to ensure a site visit is built into the Committee schedule.

SUMMARY OF TRUSTEE CHALLENGE [C] / SUPPORT [S]

C/ S	Minute	Topic
C	6	The Chair asked the Director of Finance and Estates if any control issues were raised by the external auditor
S	13	The Principal thanked the Chair for his service to the College over the past 12 years as his term comes to an end next month.