

QUEEN ELIZABETH SIXTH FORM COLLEGE

Minutes of the meeting of the Finance & Resources Committee held on Monday 6th March 2023

Present	Iain Clyde, Chair Tim Fisher David Warman
In attendance	Lisa Marron, Vice Principal (F, I & R) Nicola Wade, Acting Clerk
Apologies	Mavis Lord Andrew Wilson

Ref:		Actions
01/23	<u>Appointment of Committee Chair</u> The Committee unanimously approved Iain Clyde as Chair of the Finance & Resources Committee.	
02/23	<u>Declarations of Interest</u> There were no declarations of interest.	
03/23	<u>Minutes of the Meeting held on 7th November 2022</u> The minutes were approved as a true recorded and signed by the Chair.	
04/23	<u>Matters Arising</u> Ref: 34/22 - ESFA Dashboard has not yet been published, but will be shared with this Committee when available. Ref 36/22 – The College’s <i>Annual Accounts and Financial Statements 2021-22</i> were shared with the Committee and approved by the Board in December 2022. Ref 39/22 – Some policies have been included on this agenda, others will be on future agendas.	
05/23	<u>Expansion Project Update</u> The Vice Principal (VP) updated the Committee on the latest expansion project developments and reminded the Committee that all grant monies must be spent by 31 st March 2023. As of late last week, the spend to date was £1.4m and there is still around £656k of work to be carried out this month. The VP confirmed that as Chair of both the Board and the Finance & Resources Committee, Iain Clyde receives regular updates on the project and signs off on the relevant expenditures. She also confirmed that, due to delays beyond the College’s control, the DfE have allowed the College to use grant money to fund 100% of the spend up to 31 st March and to use the College’s match funding thereafter. There is a risk of potentially losing around £92k of grant money, if not spent within the time limit, but both Triton and the DfE are supporting the College in exploring ways to ensure the money is spent on time.	

Ref:		Actions
	<p>Governors asked for an update on the cafeteria and the VP explained that she should have full details of the expected spend by Thursday's Board meeting, where approval for the spend would be sought.</p> <p>The VP explained to the Committee that around £54k of the College's capital funding allocation would be paid to the College in June and a further £100k is to be spent on 'energy based' capital. Governors asked what the funding could be spent on and various options were discussed including solar panels and ground source and air source heating pumps. The Principal and VP agreed to discuss options with AA Projects who are experienced in this area.</p> <p>The Committee also discussed the need for a new accommodation strategy; to consider issues of sustainability; the need to futureproof the College against future demographic changes and the need for an energy strategy. The VP confirmed that the DfE offer a free energy audit service, which could be useful.</p> <p>The Committee accepted the expansion project update.</p>	
06/23	<p><u>Estates Update</u></p> <p>The VP introduced the report that had been written by the College's Estates Manger, summarising the following sections: Risk management; Fire Extinguishers & Alarms; Security, Minibus and First Aid; Recent Maintenance Works; Heating Systems; Safeguarding Training and First Aid/Accident Reports.</p> <p>Governors asked what health and safety frameworks are in place within the College and what training the Estates Manager has had. The Principal and VP explained that the Estates Manger is health and safety trained and is the College's compliance lead. There are plans in place to carry out an external audit on the College's health and safety framework in the coming weeks and the Estates Manager would be invited to attend the next meeting to report back on the findings. The Chair recommended IOSH Level 3 Managing Safety as an appropriate course for the Estates Manager to complete.</p> <p>Governors also questioned the radiation testing visit and asked if the 'old piece of equipment' needs to be replaced. The VP agreed to investigate further. Governors also asked for more detail regarding chemical risk assessments; the outcome of the fire alarm testing; are the fire alarms zoned; what is the impact on students unable to use the lift; when was the last gas safety check; how old are the boilers and why has there been an increase in sporting related accidents. The Principal and VP confirmed that there were no issues with the fire alarms and that they are zoned; the out-of-action lift is having a minimal impact; the boilers are relatively new and very efficient and the increase in sporting related accidents is due to the increase in sporting activity post-lockdown and improvements in accident recording methods. It was also agreed that a 'dashboard' bringing together all safety checks would be considered as part of the health and safety audit.</p> <p>The Committee accepted the Estates Update.</p>	<p>Clerk</p> <p>VP</p> <p>VP</p>
07/23	<p><u>Finance Report to 31st January 2023</u></p> <p>The VP presented the Finance Report and suggested a formatting change for future reports, with narrative followed by appendices. Governors asked why some elements</p>	

Ref:		Actions
	<p>were highlighted in red, as this usually signifies something negative and the VP explained that it was to highlight areas of significant variance.</p> <p>Governors noted that the current assets to liabilities ratio looks high and the VP explained that this is due to liquidity and cash flow; an investment had been cashed in and it had accumulated interest. Governors asked if the cash is to be reinvested and would the ratio then drop back down at the end of the year. The VP confirmed that this was the case. Governors asked for more detail about the College's operating surplus. The VP explained that it is slightly below budget due to general price increases and the future risk of a Local Government Pension Scheme revaluation, which could result in a 1% increase in costs if the College is not covered by the same public protection of pensions as academies are. This is still to be decided by the DFE.</p> <p>Governors requested a dashboard to compare College financial data against other similar institutions and the VP explained that the ESFA produces such a dashboard; this year's version is not yet available, but it will be shared with the Committee once it is.</p> <p>Governors discussed transport and asked if the fuel levy is fixed. The VP confirmed that the fuel levy is fixed for one year and that it is being reviewed by Darlington Borough Council through a tendering framework.</p> <p>Governors asked if the energy savings made from installing LED lighting will be reviewed and the VP explained that this could form part of an energy audit. They also asked if the boilers had been turned down slightly or their flow adjusted to reduce energy usage. The Principal explained that due to the nature of the buildings, different rooms within the College have different settings, but that fixing the energy costs for five years had been an excellent move.</p> <p>Governors confirmed that the overall financial picture looks positive and accepted the Finance Report.</p>	
08/23	<p><u>Reserves Policy and Investments Policy</u></p> <p>The VP explained that she and the Principal have drafted a new reserves policy, which is a standard policy to have in in many colleges and academies, and she explained the need to clearly distinguish between unrestricted and ring-fenced reserves. She explained that the DfE wish for funding to be spent on students for their benefit.</p> <p>Governors questioned how much of the £6m reserves is currently ring-fenced and the VP explained that much of it is, but an accurate figure would be shared with the Committee. The Principal confirmed that the policy would provide the College with greater flexibility to deal with fluctuations in student numbers, but the vast majority of reserves would remain ring-fenced and there wouldn't be a sudden release of a large amount of reserves. He explained that 50% of College funding is at risk each year and the College needs to be resilient.</p> <p>Governors asked how the figures of 5% and 20% were reached and how this fits in with the Managing Public Money regulations. The Principal and VP explained that the figures had been benchmarked against other colleges, although there aren't many standalone colleges to compare with.</p>	VP

Ref:		Actions
	<p>Governors asked if the situation regarding reserves would change if the College were to academise and the Principal confirmed that it would.</p> <p>Governors agreed to review the policy annually and approved the Reserves policy.</p> <p>The Committee reviewed and approved the Investments policy.</p>	
09/23	<p><u>Draft 16-19 Funding Allocation</u></p> <p>The VP reported that she has raised a query with the DfE regarding an error with some of the funding factors set from the College's ILR return, which have affected the retention rate and therefore the funding allocation. This error would result in a loss of around £115k. She will share the outcome of the query with this Committee.</p> <p>Governors asked if the funding rate has increased. The VP confirmed that it has increased by around 2.5%, although even with the increase, funding is still slightly down, mostly due to the aforementioned error.</p> <p>The Committee accepted the update.</p>	VP
10/23	<p><u>HR Update</u></p> <p>The Principal summarised the HR update and explained that staffing is stable and recruitment fields have been good. Governors noted that a Teacher of Psychology is leaving, but not being recruited for. The Principal explained that the post is already covered as the member of staff leaving was on maternity leave.</p> <p>The Committee accepted the update.</p>	
11/23	<p><u>Confidentiality</u></p> <p>References to individual colleagues and discussion of commercially sensitive matters is to remain confidential.</p>	
12/23	<p><u>Date for the Next Meeting</u></p> <p>Monday 12th June 2023</p>	

Summary of Actions:

Ref:	Action summary	By whom
06/23	Clerk to invite Estates Manager to next meeting	Clerk
06/23	VP to investigate replacing 'old piece of equipment'	VP
06/23	Dashboard of safety checks to be considered as part of H&S audit	VP
08/23	Share the figure for amount of reserves that are ring-fenced	VP
09/23	Share outcome of the 16-19 funding allocation query	VP