



Godalming College Board of Trustees
Minutes of the Finance and Estates Committee Meeting
Held at Godalming College in the Board Room
Monday, 19th June 2023 at 4.30pm

Present:

Justin Knight (JK) - Chair	Jeremy Pattison (JP)	Dawn Reves (DR)
Nigel Roberts (NR)	Emma Young, Principal (ELY)	

In attendance:

Sarah Baudains, Assistant Principal (SB)	Ken Kehoe, Clerk (KK)	John Erasmus (JE) - Director of Estates
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	Action
1. Apologies for Absence	
There were no apologies.	
2. Declarations of Interest	
There were no declarations of interest for any items on the agenda.	
3. Annual Health and Safety Update	
<p>The Committee thanked JE for his Report and asked the following questions:</p> <ul style="list-style-type: none"> • How do the £133k of compliance costs vary each year? JE noted that they normally increase but he had negotiated a reduction in the cost of the water cooler contract from £18k to £12k next year. • Are the contracts annual contracts? JE advised that the contracts were annual apart from PAT Testing and fixed wires testing which were carried out every few years. • Were there separate risk assessments for workshops and laboratories? JE advised that there were separate risk assessments for such areas. They had conducted a review following several accidents in the textiles workshop. • What was the state of the boilers? JE advised that they had de-commissioned one of the boilers in the Art Block. If the other broke the College would have to replace it, but the intention was to bid for air source heat pumps for the Art Block in the Autumn. • Were the incident and accident reporting numbers better than last year? JE confirmed that serious accidents and stress related incidents were down. <p>The Committee asked that next year's Report should include year on year comparisons, and that asthma attacks should be classified as incidents rather than accidents. The Committee also asked for the report to cover how the management responded to Health and Safety Audit recommendations.</p> <p>SB noted that one of next year's internal audit topics would be how the College managed Health and Safety Audit recommendations.</p> <p>Action: JE to amend next year's Health and Safety Report as requested by the Committee.</p>	JE

4.	Minutes of the meeting held on Monday, 6th March 2023	
	The minutes of the last meeting of the Finance and Estates Committee held on Monday, 6 th March were approved by the Committee as an accurate record.	
5.	Matters Arising	
	<p>JK briefed on the mechanisms for purchasing short-term government debt either through a Debt Management Office facility or through a stockholding account at LLOYD'S Bank. The Committee agreed these mechanisms should be explored before the next term deposit matured in November but asked that SB confirm with the ESFA and the external auditors whether there were any compliance issues with such action.</p> <p>Action: SB to confirm with the ESFA and the external auditors whether the Trust could procure short-term government debt to improve the return on its funds.</p> <p>Action: SB, if there are no compliance issues, to establish the necessary mechanism for procuring such debt, preferably through the DMO but alternatively through Lloyds if available.</p>	<p>SB</p> <p>SB</p>
6.	Period 9 Management Accounts	
	<p>SB advised that as of March, an overall overspend of some £700k was expected. In response to Trustee questions, SB advised that depreciation was not included in the Revenue accounts.</p> <p>Trustees asked about the performance of the catering operation. SB said that sales were up, but profits were down to £22k from £45k last year. Trustees noted that the Gross Margin was about right. SB advised that a profit of about £20k was the level of surplus necessary to maintain the catering operation. Trustees noted that catering could quickly turn into a loss-making enterprise, so it was important to keep prices under review, given rising costs. Trustees questioned whether the marginal costs of the operation that fell under other areas, e.g., HR, were included in the catering figures. SB advised that they were not. The Committee noted that the main reason for bringing the catering operation in house was to improve the student experience.</p> <p>SB advised that bursary funds were on track and that the legacy bequest was the first that the College had received.</p> <p>SB noted that this year's CIF bids were unsuccessful; consideration would need to be given to next year's CIF bids, which must be submitted in December with the results announced in June 2024. The roof and the windows of the 600 building were the main priorities.</p>	
7.	College Budget 2023-24- and 3-Year Financial Plan	
	<p>SB introduced the College Budget for the coming year, together with the medium-term financial projection. It was a difficult period, particularly for College and 16-19 institutions, as they had not received the same uplift as schools. The College had received a 2.2% funding increase for next year. One of the key assumptions was the staff pay increase; the budget assumed a 4% pay increase. The School Teachers' Pay Review Body was rumored to have recommended 6.5% for 2023/24. Every percentage point increase above the budget pay increase assumption would cost £90k.</p> <p>SB explained that the management team had gone through a rigorous, bottom-up budget review department by department. The proposed budget protected the student</p>	

	<p>experience, while there were a few marginal changes to produce a balanced budget. One extra student in a class added 4% more to a teacher's workload.</p> <p>There was a level of protection from energy price changes. For the next year, costs were broadly fixed unless the College reduced its consumption.</p> <p>The College's cash reserves would be reduced to £2.0 million with the Gill extension, but the budget did not include the sale of the cottage or any new build costs as these were not yet set. The ESFA were considering whether the College could sell the cottage.</p> <p>The Committee approved the Budget and the medium-term plan for ratification by the Board.</p>	
8.	Treasury Management Update	
	<p>The Committee noted that it had already discussed Treasury management under Matters Arising. SB advised that the current account held £1mn to cover expenditure in July and August. The deposit maturing in November would be needed for the Gill extension. The deposits maturing in December and January would likely be retained.</p>	
9.	Campus Strategy Update	
	<p>SB briefed the Committee that planning application for the Gill extension would be submitted next month. The architects advised that it would be September, at least, before a decision was made. The College had spent about £20k on the project thus far but no further action would be taken until ESFA authorisation for the sale of the cottage and planning approval for the extension had been secured.</p>	
10.	Sustainability Strategy Update	
	<p>SB advised that there had been a culture shift within the College. The SLT had decided to publish data on the College's emissions, although it was not mandatory. In response to Trustee questions, SB advised that the Electric Vehicle salary sacrifice scheme for staff should not be burdensome. SB advised that trip leaders would now be asked to complete a sustainability field. Trustees asked that trip leaders be asked to calculate the carbon output of their trips.</p> <p>A Trustee briefed the Committee on a presentation she attended on sustainability. She would circulate the details.</p> <p>Action: Carbon output calculation to be added to trip leader forms. SB</p> <p>Action: DR to circulate details of sustainability presentation. DR</p>	
11.	Bursary Policy	
	<p>SB introduced the draft Bursary Policy. The key change from the current policy was that Upper 6th Form students would no longer be expected to apply again for bursary funding.</p>	

	<p>This would reduce the administrative burden of the scheme. The qualifying threshold of household income would increase from £28k to £30k. The bursary funding of £108k in 22/23 will be spent, but there would be no reduction in the unspent funds from previous years.</p> <p>Trustees asked what the meal allowance was set at. SB advised that it was set at £4, the cost of a hot meal in the canteen.</p> <p>Trustees also asked how many students just missed out because their family income level was just above the threshold. SB advised that the College did not have that data. SB advised that some students do not apply for the bursaries, but they are referred to the scheme if a senior tutor believes that financial concerns are a factor in a student's performance.</p> <p>The Committee approved the Bursary Policy for ratification by the Board of Trustees.</p>	
12.	AOB	
	No other business.	
13.	Date of the next meeting	
	To be confirmed	

The meeting closed at 6.05 pm.

Signed

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