



Godalming College Board of Trustees  
**Minutes of the Finance and Estates Committee Meeting**  
**Held at Godalming College in the Board Room**  
**Monday, 6<sup>th</sup> March 2023 at 4.30pm**

Present:

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

In attendance:

Sarah Baudains, Assistant Principal (SB)	Ken Kehoe, Clerk (KK)	John Erasmus (JE) - Director of Estates
Joe Yeadon (JY) – Director of IT and Digital Strategy	Lexica Representatives (Item 3)	

	<b>Action</b>
<b>1. Apologies for Absence</b>	
There were apologies from Nigel Roberts (NR)	
<b>2. Declarations of Interest</b>	
There were no declarations of interest for any items on the agenda.	
<b>3. Heat Decarbonisation Plan</b>	
<p>The Lexica representatives briefed the Committee on the wider policy background to the Heat Decarbonisation Plan and the work that they had carried out. 49% of the College’s CO<sup>2</sup> emissions were linked to gas usage. The first step in reducing CO<sup>2</sup> emissions was to reduce heat loss before moving to replacing gas with electricity for heating. The key buildings in reducing gas usage were the Sports and Performing Arts buildings. The total programme of decarbonisation would cost £4.7mn.</p> <p>Trustees noted the large capital requirement and asked about central government funding. Lexica advised that the next round of funding for decarbonisation by public sector organisations was likely to come in the next six months. It was likely to be awarded to those that were ready. SB noted that the College were preparing a potential bid for the future funding round. Trustees asked how the College compared with similar institutions. The Lexica representatives observed that, within their clients, the College was ahead of the game and that, as the College had several end-of-life boilers, there was scope to make the transition to electricity.</p> <p>ELY noted that teaching and learning was at the heart of the College’s mission but when boilers needed replacing, we would look to the Decarbonisation Plan.</p>	

	<p>The Committee approved the Heat Decarbonisation Plan, noting the constraints imposed by the funding required and the need to ensure that the Trust acted within its objects.</p> <p>The Committee thanked the Lexica representatives.</p>	
<b>4.</b>	<b>Sustainability Strategy Update</b>	
	<p>SB introduced the Update highlighting the focus on the sustainability implementation plan. This plan is based on how the College operates sustainably rather than the buildings which are addressed via the Heat Decarbonisation Plan. Staff and students were supportive. The focus initially was on energy optimisation, then on capital works.</p> <p>The Committee took note.</p>	
<b>5.</b>	<b>Digital Strategy Update</b>	
	<p>JY briefed the Committee on the progress of the Digital Strategy. Following staff consultations, the focus was on the use of Microsoft Office 365 to centralise functions, communications to parents and students, and links to student records. Microsoft Dynamics will help facilitate the link from student records to the communications via Teams, email and telephone. JY also updated the Committee on the change to the IT Staff structure to support the development.</p> <p>The move of MIS to Dynamics would require a bespoke package supported through consultancy and in-house expertise. Trustees noted that the College should not have too many different systems (Teams + Moodle). Trustees asked about the cost of Moodle; JY advised that it was relatively inexpensive.</p> <p>JY also noted that the security measures that the Committee had been briefed on previously were now in place. JY advised that sustainability is embedded in the digital strategy and implementation planning.</p> <p>The Committee took note.</p>	
<b>6.</b>	<b>Minutes of the meeting held on Monday, 21st November 2022</b>	
	<p>The minutes of the last meeting of the Finance and Estates Committee held on Monday, 21<sup>st</sup> November were approved by the Committee as an accurate record.</p>	
<b>7.</b>	<b>Matters Arising</b>	
	<p>The actions arising had been completed.</p>	
<b>8.</b>	<b>Period 5 Management Accounts</b>	
	<p>SB advised that following staff and energy cost reductions, an underspend on the resource budget, of £224k was now forecast. This may increase. With a deficit on the capital budget of £900k, there would be an overall overspend of some £700k, placing a call on the College's cash reserves.</p> <p>Trustees asked about staff pay increases. ELY noted that the support staff pay increase had been agreed but that the teaching staff pay award was still to be agreed, SB confirmed that the budget included provision for a 5% pay increase.</p>	

	<p>SB advised that the catering operation was performing well. Trustees asked for a monthly, year-on-year comparison of the catering operation.</p> <p><b>Action:</b> SB to provide a monthly, year-on-year comparison of the catering operation.</p>	
<b>9.</b>	<b>3 Year Plan</b>	
	<p>SB introduced the updated 3-year budget plan. It reflected changes to the funding rate (an increase of only £100 per student next year), known student numbers for next year and updated costs. The overall position was that the resource budget was satisfactory next year but problematic the following year, if there was an insufficient increase in the funding rate. The College's cash reserves would be down to £2.3mn by the end of the period.</p> <p>Trustees asked whether the College should set a higher student recruitment rate. ELY advised that there were 180 more applications than at the same time last year but this was difficult to control.</p> <p>Trustees agreed that, while it was important to hold cash reserves, these should not be excessive and that the current commitment to the College's campus development strategy should continue. The College had about £1mn of cash reserves available.</p>	
<b>10.</b>	<b>Treasury Management Update</b>	
	<p>SB advised that, as a result of the forecast £700k deficit, the College's cash holdings would fall to £3.2m this year, with only £100k in the current account and £3.1 m in fixed term deposits. To ensure liquidity, SB proposed that the £1mn deposit reaching maturity in mid-March should be re-invested in a 3-month fixed term deposit rather than the usual 12-month fixed term.</p> <p>The Committee agreed that the £1mn fixed term deposit, maturing in mid-March, should be rolled over for a 3-month period rather than a 12-month period and asked that the scope for investing in Treasury Bills should be explored, given the low rates offered by Lloyds Bank.</p> <p><b>Action:</b> JK to explore the 3-month Treasury bill market.</p> <p><b>Action:</b> SB to explore with the College's bank the scope for placing the £1mn in short term Government Treasury Bills.</p>	<p><b>JK</b></p> <p><b>SB</b></p>
<b>11.</b>	<b>Campus Strategy Update</b>	
	<p>ELY briefed the Committee that the availability of teaching space was not an issue for the College, but the key constraint was having space outside of lessons for social study and catering. As the College has sufficient teaching space, it is unlikely to be successful in any future funding rounds of the Post 16 Capital Expansion Fund. ELY had recently met with the property surveyors familiar with the College and they had recommended keeping any additional social space in the centre of the campus. They had recommended redeveloping the other side of the Gill Building out into the Piazza.</p> <p>The Committee agreed, in principle, the concept of an extension to increase the social study and catering space.</p> <p>The property surveyors had also raised the possibility of funding the expansion through the sale of the land on which the cottage sits, with planning permission.</p> <p>Trustees agreed that the land surrounding the cottage should be sold, subject to confirmation that the College would retain all proceeds.</p>	

	The Trustees also asked about the demolition of the sports pavilion. SB advised that the Estates team were investigating the costs of demolition. It would probably be in the region of £25k. JE said that they were hoping to demolish the pavilion, possibly in Summer 2024.	
<b>12.</b>	<b>Financial Regulations and Procedures</b>	
	<p>SB detailed the changes to the draft Financial Regulations and Procedures, in particular:</p> <ul style="list-style-type: none"> <li>• <b>Section 5.2 Reserves Policy:</b> Minimum cash reserves to be reduced from £1.5m to £1.2m</li> <li>• <b>Section 7:</b> New sources of income were covered</li> <li>• <b>Section 8:</b> Procurement policy significantly updated to reflect sustainability agenda, as well as spending threshold limit increased to require 3 quotes (from £5k to £10k).</li> <li>• <b>Appendix A:</b> Financial Scheme of Delegation – the approval levels had been increased for Directors and SLT.</li> </ul> <p>Trustees noted that the reimbursement of fuel expenses should be in line with HMRC allowances for petrol and diesel cars, and electric vehicles, rather than fuel prices. They also proposed that the section on parental contributions and when examination fees would be charged should be separated. The text should reflect the relevant ESFA language.</p> <p>The Committee agreed to the draft Financial Regulations and Procedures, subject to the changes proposed by Trustees.</p> <p><b>Action:</b> SB to amend draft Financial Regulations and Procedures.</p>	<b>SB</b>
<b>13.</b>	<b>Governance Self-Assessment</b>	
	The Committee agreed the objectives for the Committee’s self-assessment review.	
<b>14.</b>	<b>Committee Skills and Training Needs</b>	
	The Committee considered the results of the Skills survey and considered whether there was a need to recruit a Trustee with Health and Safety experience. They noted that the subject was regularly reviewed by this Committee, by the Audit Committee and the Full Board. They also noted that the College bought in the necessary external expertise. They concluded that there was not, at this time, a need to recruit a Trustee with Health and Safety expertise.	
<b>15.</b>	<b>AOB</b>	
	No other business.	
<b>16.</b>	<b>Date of the next meeting</b>	
	The date of the next meeting was 19 <sup>th</sup> June 2023.	

The meeting closed at 6.22 pm.

Signed .....

Date.....