

## GRANTHAM COLLEGE

Minutes of a meeting of the Finance Committee held on 15 June 2015 at 1800hrs.

<b>Present</b>	Nick Manoussakis (Chairman)	Linda Houtby (Principal)	Graham Hayton Hill
	Mos Kalbassi	Wade Rowlett	
<b>In Attendance</b>	Paul Deane (DP)	Ralph Devereux (Clerk)	Anita Harrison (Mgt Acct)

The meeting was preceded by Agenda Item 10, a presentation on solar power feasibility delivered by Susan Mumford (Attached to the file copy of these minutes). The comprehensive detail explained the history of the project from inception to the present state with 3 estimates available for completing the works on roofs of the chosen buildings; these estimates however were informal and not based on a standard specification. A full discussion followed; the project was viable and would facilitate considerable saving in energy costs and collaterally display the College green credentials. These points, together with the information that the project was eligible for this year's SFA Condition Fund (£83k) and already incurred expenditure was eligible as matched funding, prompted a unanimous decision that the feasibility of use was positive and the process should continue. Accordingly, a specification would be circulated to the 3 companies that had expressed an interest and on receipt of standardised quotations, further consideration would be given to the next stages. Susan Mumford then left the meeting.

- a. Consideration of installation of a solar power facility would continue.
- b. The 3 companies involved in the current process would be invited to tender.

### 17/14 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

No notice had been received of any member becoming ineligible to hold office, the meeting was quorate and no interests had been declared.

### 18/14 MINUTES OF THE LAST MEETING AND NOIFICATION OF URGENT BUSINESS

- a. The minutes of the meeting held on 23 March 2015 were confirmed and signed.
- b. It was agreed to consider upgrading of areas for public letting as urgent business.

### 19/14 MATTERS ARISING

re 14/14. Urgent Business. Insurance detail would be electronically circulated to Members.

### 20/14 FINANCE REPORT

The management accounts accurate to 30 Apr were then considered and discussed. The current situation was more positive than at the last meeting and showed a favourable variance of c£668k against budget. Income, with all streams clearly explained in the accompanying papers, was also favourable by c£227k with all variances clearly tabulated. Payroll expenditure was negative by c£22k due to inclusion of some redundancy costs. Non-Payroll costs, tightly controlled were favourable by c£463k; again all variances were clearly tabulated. The balance sheet remained positive with 67 cash days, a strong cash balance and the CR stood at 1.8. All FI remained satisfactory and some defaulters had now been moved into aged debtors. The reforecast summary was then discussed and it was noted that auto-enrolment into pension schemes had been effective for several months. Compliance with Bank Covenants was noted. The information was noted and the Report was received.

**The information was received.**

### 21/14 DRAFT BUDGET 2015/16 AND 3 YEAR FINANCIAL FORECAST 2015-17

The first draft of next year's budget, despite reduced total income of £1.56m, currently showed a break even result through c£1.44m reduced expenditure. An analysis of the elements of the reduced

income was included and the numbers were closely scrutinised and fully discussed. The requirement to produce a balanced budget for the Corporation's consideration had been fully accepted and focus would be maintained during the next 10 days to finalise the numbers. The 3-Year Financial Forecast was also in draft, mainly through late receipt of the SFA Financial Planning Spreadsheet but also since the first year would be represented by the finalised 2015/16 Budget. Details of the Stonebridge associated expenditure would also be included when they were received from the Architect. Initial scrutiny revealed however that whilst a balanced budget for 2016 could possibly be achieved, on current information solid challenges appeared for the years beyond.

- a. **The information was received.**
- b. **The revised draft Budget and Financial Forecast would be presented to the Corporation meeting.**

#### **22/14 CAPITAL PROPERTY UPDATE**

- a. Greater Lincolnshire Local Enterprise Partnership (GLLEP) The Architects continued to progress the planning permission and, in the light of rising construction costs (20% since 2013) would work on an affordable build design. The Growth Deal situation remained as before: no written commitment until April 2016 and advance expenditure was thus at the College risk.
- b. SFA Capital Funding. The Condition Fund allocation had been considered and explained during the solar energy presentation.
- c. Property. Valuations had now been received for the Barracks and the Stonebridge plot of land, these values could be used as bank collateral should it become necessary. The Hornsby Road Café premises remained unsold and it was agreed to consider offering it at a reserve auction during the next academic year.

- a. **The information was received.**
- b. **Consideration would be given to a sale by auction of the Hornsby Road Café.**

#### **23/14 IMPACT ON STUDENTS**

The care being shown to the challenging financial situation would produce the optimum solution and continue to allow priority to provision and the student experience.

#### **24/14 URGENT BUSINESS**

Facilities open for public hiring were being upgraded, the bar refurbishment had been completed and work was required on the Refectory floor, an example of the suggested material was examined and it was agreed to proceed at a cost of £12,780.

**The Refectory floor would be upgraded.**

#### **25/14 DATE OF NEXT MEETING**

The date of the next meeting would be provisionally 16 November 2015 (Joint with Finance Committee).