

# QUEEN ELIZABETH SIXTH FORM COLLEGE

## Minutes of the meeting of the Finance and Resources Committee held on Monday 6 March 2017

Present: Mr C Wiper, Chair  
Mr T Fisher, Principal  
Prof L Oglesby OBE  
Mr D Warman  
Mr A Wilson

In attendance: Mr J Deane, Governor  
Mr S Hargrove, Assistant Principal, Finance  
Dr S Hunnisett  
Mr S Dowson, Clerk

01/17 Welcome

The Chairman welcomed Mr Joe Deane who was attending as an observer.

02/17 Declarations of interest

There were no declarations of interest.

03/17 Apologies

There were no apologies.

04/17 Minutes of the previous meeting

The minutes of the meeting held on Monday 31 October were **accepted** as a true record and signed by the Chairman.

05/17 Matters arising

Ref: 30/16 Student numbers

In reply to a question from the Chair, Mr Fisher said that student applications are the highest they had ever been at this point in the year despite a 7% drop in the number of 16 year olds caused by the demographic dip. Mr Fisher explained that 2017 was the second of three years of lower student numbers after which they would increase significantly.

Dr Hunnisett said that more students were opting to come to QE from further afield, which accounted for some of the increase. However, the take-up rate overall seemed to be decreasing each year which meant that more enquiries from students were needed to maintain the student numbers.

In reply to a question from Professor Oglesby, Mr Hargrove said that the provision of buses was constantly reviewed to ensure it was convenient for students from further afield to get to QE. The College was aware of the impact the increased bus traffic and numbers of student cars was having on Abbey Road, in particular the residents. This traffic issue has been discussed with the Local Authority and we are awaiting their feedback regarding any traffic control measures that could be introduced to help the situation.

Mr Deane asked how the college planned to accommodate the anticipated increase in student numbers following the demographic dip. Mr Fisher said he was not absolutely certain that numbers would increase. Take-up of places at QE was already showing signs of decreasing and it was not possible to predict the impact of further changes to education provision in the UK. For example, the introduction of Tech Levels could result in fewer students opting to take A levels.

Numbers could be managed by becoming more selective but this did not fit with the College's philosophy of being widely accessible. Selection had to be considered carefully. Selection could result in an increase in the number of students taking stem subjects and it would be expensive to increase the number of science laboratories.

Remodelling of current accommodation could be a viable future option if relevant permissions were obtained.

Ref: 36/16

Reserves policy

In reply to a question from Professor Oglesby, Mr Hargrove said that the College that the College's reserves policy would be discussed under the Finance Report agenda item.

06/17 Premises Report

Mr Fisher said that the College was currently between major projects. The heating project had been completed successfully and work was underway, with the assistance of AA Projects, on the next Condition Improvement Fund (CIF) application.

Routine work included painting, decorating and minor repairs and maintenance. Mr Fisher warned that the current programme of electrical testing may identify circuits that need updating.

In reply to a question from Professor Oglesby Mr Fisher explained that the new heating control system did not extend to individual classrooms, enabling it to be programmed to work to the timetable, only to teaching blocks. Dr Hunnisett explained that few classrooms were empty for any part of the day.

07/17 Condition Improvement Fund update

Mr Hargrove said that the Heating Project had been successfully completed under budget and the money left over had been used to include energy efficient pumps and a solar shielding to help manage the temperature of the atrium.

A new CIF application for £186,558 has been prepared with the help of AA Projects. The application was for further repairs to the pitched roof (weather and waterproofing), repairs to the stairs to the main entrance (health and safety) and repairs to the perimeter wall (health and safety).

08/17 HR Report

Mr Fisher said that the HR report was brief, as was to be expected at this point in the academic year. One teacher had left and been replaced by a new appointment. One teacher had left and his timetable had been covered by existing staff.

The Committee **accepted** the HR Report

09/17 Finance Report to January 2017

Mr Hargrove introduced the Finance Report for the 6 months to January 2017 which had been circulated with the papers for the meeting.

Mr Hargrove said that income and expenditure were better budget on virtually all measures and the predicted surplus for the year was £80,000 more than budget.

In reply to a question from the Chair Mr Hargrove explained that the overspend on marketing had been a conscious decision which had been justified by the increase in student numbers. The overspend related to the year to date and would be less by the year end.

10/17 Reserves Policy

Mr Hargrove said that the reserves policy needed to be as flexible as possible to enable the College to react to any situation as it arose.

Mr Hargrove proposed that the cash should be split £1 million to Nationwide, £1 million to Santander and the balance of £1 million + to remain with Lloyds (the College bankers).

In reply to a question from Mr Deane, Mr Hargrove said that cash from normal operations was going up. Cash deposits were anticipated to be close to £4 million by the financial year end. Mr Hargrove reassured Governors that big cash deposits in Sixth Form Colleges were not vulnerable to being reclaimed by Government.

The Committee discussed the poor interest rates currently available from high street banks and agreed that the purpose of spreading the money was to protect the college from possible loss not to maximise income from interest.

The Committee **accepted** the reserves policy

11/17 Utilities

Mr Hargrove explained that the gas contract had recently ended and there had been opportunities recently to fix the price for up to six years. These offers were for a limited period only. Previously the college had fixed the price for up to 2 years. The College spends about £32,000 a year on gas. A six year contract would be worth about £192,000. Mr Hargrove asked Governors what their view of a six year fixed price contract would be.

After some discussion it was agreed that Mr Hargrove should wait until the electricity contract ended in a month's time and then to seek prices for a combined gas and electricity contract.

The Committee **accepted** the Finance Report to January 2017.

12/17 Funding Update 2017-18

Mr Hargrove circulated a Financial Forecast as at February 2017 and explained that details of funding for the year had only just been received from the Education Funding Agency (EFA). Income was down £32,000 on the previous year but this did not cause any difficulties for the College.

Mr Hargrove explained that the Financial Forecast was based on some proposals and assumptions that had not yet been approved by the Governors. Some of the proposals would be considered at the next Board meeting on 16<sup>th</sup> March. The purpose of circulating the Financial Forecast at this meeting was to demonstrate that there was a financial plan which would work - subject to approval by Governors.

The Committee **accepted** the Funding Update 2017-18.

13/17 Date of next meeting

19 June 2017