

## Meeting of the Finance and Resources Committee

### MINUTES

Items considered confidential on the grounds of commercial or personal sensitivity are redacted from the published minutes

<b>Date</b>	<b>Wednesday 13<sup>th</sup> March 2024</b>
<b>Time</b>	17:30 to 19:30
<b>Location</b>	Via MS Teams
<b>Present (Governors):</b>	Fred Gray (Committee Chair) Jesse Adekoya Christine Ricketts (Principal and Chief Executive) Paul Stedman
<b>In attendance</b>	Allan Tyrer (Chief Operating Officer) Nolan Smith (Estates Project Manager, Fusion) – item 3 Melissa Drayson (Director of Governance)
<b>Observers</b>	Louise Salmon (governor) Rob Lawson (External Governance Review)
<b>Apologies for absence</b>	Craig Mahoney (Chair of Corporation) Ian Carey (Support Staff Governor)
<b>Quorum (3)</b>	The meeting was quorate throughout

Item	Action lead
<p><b>Governor training.</b></p> <p>The meeting was preceded by a 30-minute training session by the Chief Operating Officer on '<i>understanding college balance sheets and financial benchmarks</i>'.</p> <p><b>AGREED: The next training session would be on curriculum metrics</b></p>	<b>COO</b>
<p><b>1. Preliminary items</b></p> <p><b>1.1 Apologies for absence</b> Apologies were as listed above.</p> <p><b>1.2 Declarations of interest</b> There were no new declarations of interests relating to matters on the agenda. Previously declared interests were carried forward.</p> <p><b>1.3 Urgent other business</b> One item of Other Business was taken at the end of the meeting</p>	
<p><b>2. Minutes</b></p>	

**2.1 The Committee minutes of 7<sup>th</sup> February 2024 were APPROVED as an accurate record and confidential sections were confirmed.**

**2.2 Matters arising**

*Supporting paper by the Director of Governance*

It was noted that actions from the February meeting were on track for completion at a later date. An update was provided on actions carried forward from previous meetings:

- The proposed debtor policy would now be brought to the Committee in the summer term. This was not considered a high priority as the College did not have a high level of debt owing.
- The Cyber Security Audit report had been considered by the Audit Committee in draft form, pending finalisation of management comments
- The Financial Regulations would be updated once the new DfE College Financial Handbook was published. This was expected in March.

**3. Estates and facilities (confidential item)**

**3.1 Progress report**

*Presented by Nolan Smith, Fusion.*

An update to the written report was provided (partially redacted)

- The final engrossment copies of the s106 were therefore expected for signature by Cala, the College, Barclays Bank and the ESFA imminently.
- This would then trigger the six-week judicial review period. Cala had already indicated that there would be no onerous conditions, so completion would occur at the end of the six weeks.
- The College would then be required to vacate buildings and the car park ready for the first phase of the works.
- Over the Easter break, work would commence to remove Japanese Knotweed and erect hoardings.
- Cala had agreed that the College would be given use of the Mansion car park up to the summer break.
- The staff team was making good headway with planning the relocation of teaching space once the work began.
- Meetings were being held to revise the floorplans for the FECTF funded elements of the scheme. The Committee was reminded that the ESFA had granted an extension for these to be spent by March 2025. The drawdown schedule was being agreed with the ESFA

**3.2 Approval of tenders by the Corporation**

*Supporting paper presented by the COO*

The Committee noted that tendering had commenced for the construction contracts for the different elements of the Estates Project Arrangements. Under the current financial regulations, the approval of the full Corporation was required for any contract or tender over £100k. The Chief Operating Officer would be reviewing approval limits but it was still likely that construction contracts would require Corporation approval

There was concern that this requirement could cause delays and that calling a Special meeting for each decision could be onerous for governors and staff. Other options were to deal with approvals via written resolution (which would not allow discussion), or to delegate authority to a sub-group of independent governors. On balance the Committee favoured the latter option as it would provide the opportunity for full scrutiny of the process along with a quick turnaround.

The Committee was informed that, following a full tendering process, Bislie Construction was recommended to undertake the Local Skills Improvement Fund (LSIF) Green Skills project at Weybridge. (Redacted)

A tendering process was currently underway for the Ashford T Level refurbishment.

**RESOLVED: That Corporation would be asked to approve the following by written resolution:**

**Dir Gov**

- a. **The appointment of Bislie Construction to undertake the LSIF funded project at Weybridge**
- b. **The proposal to authorise a sub-group of governors to approve future construction tenders.**

### **3.3 Arrangements for Section 106 signing**

The Committee noted that the engrossment copies of the S106 agreement would be available imminently for signing. These would be executed as a Deed and would, therefore, require two signatures. As the Chair of Corporation was currently out of the country it was:

**AGREED: That Fred Gray and Christine Ricketts be authorised to sign the s106 when required.**

## **4. Finance**

### **4.1 January 2024 Management Accounts and Cashflow**

*Supporting paper presented by the Chief Operating Officer*

The Committee was advised that the end-of-year position continued to track ahead of the budget surplus. Governors were consulted on whether the additional surplus should be reinvested into the college to enhance the quality of education and the student experience. For example, some areas were operating with a very lean staffing structure, including student support. An additional member of the estates team might be required to support with increased out-of-hours rentals.

There was discussion of the need for flexibility to build capacity where needed, without losing the rigour behind managing staffing levels. The Committee asked SLT to review the potential costs of this.

Governors noted that agency spend was still high. Managers responded that agency levels had reduced by a third, and the policy to convert agency staff to permanent was successful. Overall pay expenditure was under control.

**The Management Accounts were commended to the Corporation**

#### 4.2 Budget 2024-25 and 3 to 5-year financial plan

*Supporting paper by the Chief Operating Officer*

The Committee discussed the latest iteration of the financial plan. This now included an indicative budget for 2024-25, which would be developed with curriculum-level input before being brought back in the Summer term for further discussion and approval. The 16-18 allocation for 2024-25 had been confirmed that day and included an additional 400-500k for Maths and English. An assumption had, however, been made that there would be some clawback for T-Levels. Overall, the figures would be slightly better than those shown.

The updated draft five-year plan continued to show good growth in EBITDA, whilst maintaining staff costs at under 63% of turnover and a financial health grade of Good. A strategic discussion would be required to decide how this surplus should be used.

The Committee indicated that it was happy for the forecasts to be developed with a full narrative to take to the Corporation as a 'transformation plan'. It was agreed that the final Plan should be approved once there was greater certainty around the 2024-25 budget and final planning approval had been gained following the s106 sign off.

#### 4.3 Procurement termly report

*Supporting paper by the COO*

Governors welcomed the transparent approach to reporting and noted that all procurement over £30k had gone through the correct procedures.

The COO flagged that the gas and electricity contracts were currently being renewed. The gas contract fell within the approval limits for the Finance and Resources Committee. However, the electricity contract was likely to be nearly £200k although this was a significant saving on the previous contract and well within budget. It was noted that the best deals offered by the broker were often only available for a few hours. Delegated authority was, therefore, requested to allow the Chief Operating Officer to sign up to the best deal for the College.

**RESOLVED: That Corporation approval would be sought by written resolution to delegate authority to the Chief Operating Officer to decide on the best deal for gas and electricity contracts.**

**Dir Gov**

#### 4.4 Subsidiary company – Brooklands Enterprises Ltd

*Supporting paper by the Director of Governance*

The Committee noted that Fred Gray was the sole Director of the College's subsidiary company. The Chief Operating Officer agreed to be a Director, along with one other governor. There was discussion about whether to continue to retain the Company. Governors shared the view that this required little time and expense.

**RESOLVED: That it be recommended to the Corporation:**

- a) that Allan Tyrer be appointed as a Director of Brooklands Enterprises Ltd.
- b) That one other governor be appointed as a Director

**5. Staff pay award proposal (confidential)**

*Supporting paper presented by the Principal and CEO and the COO*

Governors were reminded that the decision on awarding the balance of the 6.5% pay award had been deferred pending further work to gain clarity on Adult Education Budget income and agency spend. It was now clear that the college would be able to deliver its planned surplus and that the pay award would be within the overall pay budget. Governors thanked SLT for their work and indicated support for the proposal.

**RESOLVED: That it would be recommended to the Corporation that an additional staff pay award of 2.4%, backdated to 1<sup>st</sup> February would be made.**

**6. Finance Policies**

*Supporting papers presented by the Chief Operating Officer*

The Fees Policy and the Treasury Management Policy had both undergone minor amendment.

**RESOLVED:**

- (i) **That the Fees Policy 2024-25 be recommended to the Corporation for approval**
- (ii) **That the Treasury Management Policy 2024 be recommended to the Corporation for approval**

**7. Finance and resources KPI report**

The Committee was satisfied that it had discussed all issues on the KPI sheet during its two meetings this term. Most were now scoring as green. Group size had decreased slightly so was rated 'amber'. More work was needed to check on energy and paper usage in order to gauge progress against relevant targets.

**8. Other urgent business**

Governors were asked for feedback on the meeting.

- Written reports were of high quality and were more accessible for laypersons
- The finance training had been useful for non-financial governors. The COO planned to roll training out to middle managers to increase their confidence and engagement in budget management.
- Finances were strong, and it was good for morale to highlight success in this area. However, there was no room for complacency.

It was noted that this was Fred Gray's last meeting as Committee Chair. Fred's contribution to the College would be recognised in full at the forthcoming Corporation meeting but the Committee placed on record its gratitude to him for his commitment and leadership support over a challenging time in the College's history.

**10. Date of next meeting**

*8 May 2024 (General)*

*26 June 2024 (Finance and Estates only)*

**Approved by the Finance and Resources Committee on 8 May 2024**

Finance and Resources Committee meeting 13 March 2024