

Meeting of the Resources Committee

MINUTES

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

Date	Wednesday 29 November
Time	19:00 to 19:50
Location	Via Teams
Present (Governors):	Fred Gray (Committee Chair) Ian Carey (Support Staff Governor) Craig Mahoney (Chair of Corporation) Hilary Omissi Christine Ricketts (Principal and Chief Executive) Paul Stedman
In attendance	Allan Tyrer (Chief Operating Officer) Nolan Smith (Estates Project Manager, Fusion) – item 5 Melissa Drayson (Director of Governance)
Apologies for absence	None received
Quorum (3)	The meeting was quorate throughout

Item	Action lead
0. Joint meeting with the Audit Committee to receive the external audit report and financial statements. <i>Chaired by the Audit Committee Chair and recorded in separate minutes.</i>	
1. Preliminary items	
1.1 Welcome and apologies for absence The Chair welcomed colleagues to the meeting and noted that this was Allan Tyrer's first meeting as COO. There were no apologies for absence.	
1.2 Declarations of interest There were no new declarations of interests relating to matters on the agenda. Previously declared interests were carried forward.	
1.3 Urgent other business No items of other business had been notified in advance.	
2. Minutes	
2.1 Two minor amendments were made to the date and attendance. Subject to these:	

The Minutes of the meeting on 4th October 2023 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 all actions from the previous meeting had either been completed, or were due for report in February/March.

3. Finance

3.1 Monthly Management accounts and cashflow report – September/October 2023

Supporting papers presented by the Chief Operating Officer

The September management accounts had been prepared by the interim Director of Finance. The COO had reviewed income stream projections and reached a similar predicted year-end position to that previously forecast.

The analysis of income streams included the following:

- 16-18 income included the extra allocation for T Levels. The college had under-recruited against the target so might be subject to a small amount of clawback;
- Apprenticeship enrolment was strong, and income was on track to exceed the budget if the completion target was met.
- Adult income would increase during the year, especially with January starts and additional ESOL funding. In response to governors' questions, management confirmed they were cautiously optimistic that adult targets would be met. A new project was at the early stages of development to offer English, Maths and Employability skills to marginalised groups in Runnymede. The college was also strengthening links with group Hub, Job Centres and other community organisations to deliver functional skills to adults.
- Work was underway to maximise High-Needs income from Surrey County Council.

Pay costs included actual figures for the backdated 4% pay rise and remained affordable. In response to governors' questions, it was clarified that the remaining 2.5% had yet to be factored in.

Non-pay costs were being tracked closely. The decrease in utilities costs had eased pressure on the budget, but it was too early to predict the year-end picture accurately.

Current projections were that the year-end surplus position would be improved by approximately £200k.

The COO reported that he was implementing new forecasting tools to improve accuracy and would share the outcome of this at the next Committee meeting.

Credit was paid to the interim FD for setting an accurate budget. Once depreciation and interest were added back, this was likely to result in a

strong EBITDA. This would ensure that cashflow remained strong, as long as funding was received when expected.

Governors sought a greater understanding of the factors responsible for the £1m positive change in financial position. These comprised a combination of the additional funding allocation (albeit offset by the payrise), and the curriculum efficiencies project that had resulted in significant increases in group size, guided learning hours delivery, student contact hours and staff utilisation. Whilst commending the work undertaken to increase group sizes, governors cautioned that this should not be at the expense of the quality of teaching and learning.

There was discussion of the format of the report, and the need for summary headlines in the commentary. The COO proposed using the sector-approved 'Casterbridge College' model for future management accounts on a trial basis and to seek governors' feedback.

The inclusion of an annual departmental contributions analysis was also proposed.

AGREED:

- i) **That the Casterbridge Model should be trialled for future Management Accounts** COO
- ii) **That a debtor policy be brought to the next Committee meeting.**

3.2 Developing the 3 to 5 year financial plan *Supporting paper by the Chief Operating Officer*

The purpose of the plan would be to demonstrate financial sustainability for the period beyond the completion of the estate project. A steer from the committee was requested on the following growth assumptions:

- 16-19: growth in line with demographic assumptions but not assuming any funding uplift;
- Apprenticeships: 5% growth a year
- Adult: no growth for 2024-5, possible 5% thereafter
- High Needs, possible growth dependent on discussions with Surrey County Council
- Higher Education: a proposal will be brought back.

Governors supported the proposals but asked for the inclusion of a sensitivity analysis around each income stream.

AGREED: That the assumptions presented for the 3-5 year financial plan were endorsed.

3.3 Termly tender and contracts assurance report *Verbal report by the COO*

Following the internal audit into procurement, the Committee was advised that a termly report would be presented that explained every tender awarded over £30k, including the justification for any waivers of the financial regulations. Now that the finance system was fully operational, it

should be a simple process to draw the report off. It was confirmed that SLT would also receive the report.

4. Estates Strategy update

Supporting paper presented by N Smith, Fusion (project manager)

The Committee noted key updates from the written report.

The three summer refurbishments had now been completed.

The College had been successful in achieving a Local Skills Improvement Fund (LSIF) grant. The allocation was higher than the original submission as others had pulled out of the joint bidding process, and would fund the conversion of the studio theatre into a construction workshop focussing on low carbon technology, specifically around insulation and water retention. A benefit of carrying out this work ahead of the main capital development would be that it would create an additional contingency within the wider project.

The College had also been successful in its Section 5 – T Level Wave 6 bid for a new mezzanine floor at Ashford. This had been part match-funded by the college out of ONS reclassification allocation.

An update was provided on the planning application. It had been confirmed that this would be considered at the Elmbridge Planning Committee on Tuesday 5th December with an officer recommendation for planning approval and listed building consent. All planning conditions proposed in the consultation stage had been accepted.

Governors were informed of the order of play at the Committee. This would start with a presentation by the Planning Officer followed by questions; a three-minute speech from the Principal and Chief Executive on the educational benefits of the scheme; an opportunity for anybody to speak against; questions to the project team and a vote. The project team would be present, with experts available to answer technical questions. This would include Fusion and Cala along with specialist advisers, Lichfield. A schedule of PR activity had been devised for the days running up to the meeting, including a walk around the site and telephone calls.

If planning approval was granted, the application would be referred for Secretary of State approval. Measures were being put in place to accelerate this part of the process.

In response to questions, it was confirmed that Section 106 Heads of Terms had been pre-agreed, which should speed up the s106 signature.

A positive outcome would trigger a major task to recalibrate the project programme and cashflow. The position of the ESFA concerning the release of the Further Education Capital Transformation grant funds would also need to be ascertained.

5. Finance and Resources KPIs

Supporting papers presented by the Chief Operating Officer

The Committee noted that the Curriculum and Performance Review Committee had discussed the quality KPIs and targets. The complete set would be approved by the Corporation on 14th December.

It was agreed that all finance KPIs and targets currently seemed achievable. More work would be undertaken to refine the contribution rate target. Adjusted cash days would rely on planning approval but, without capital expenditure, would be healthy at 85 days.

A new KPI had been added for commercial rentals. The sports hall was now being rented twice a week, with scope for further income generation.

Governors asked for an update on student numbers. It was confirmed that the ILR return was being completed and it was likely that 16-19 numbers would be slightly over the funding allocation.

AGREED: That the finance and resources KPIs and targets be recommended to the Corporation for approval

7. Date of next term's meeting

7 February 2024 (General)

13 March 2024 (Finance and capital only)

Approved by the Finance and Resources Committee on 7 February 2024