



**Minutes of the Meeting of the  
Finance, Resources and Capital Projects Committee**  
held at 4.00 pm on Wednesday 6 March 2024 via Teams

**Present:** Mr P Sullivan (PS) Chair  
Ms T Aust (TA) Principal  
Mr T Hayhoe (TH)  
Mr S McGeoch (SM)

**In Attendance:** Ms K Frost (KF) Head of Governance  
Mr M Cooper (MC) Executive Director Finance, HR and Development  
Mr T Stevens (TS) Executive Director Resources

**1/24 Welcome and Apologies**

The Chair opened the meeting and welcomed everyone. There were no apologies for absence.

**2/24 Declarations of Interest**

There were no declarations of interest relating to the items on the agenda.

**3/24 Minutes of the Last Meeting**

Minutes from the meeting of the committee held on 22 November 2023 had been received in advance (Paper 1). IT WAS DECIDED the minutes were a true record of the meeting and they were approved.

**4/24 Matters Arising**

The 'Summary Action Point List' (Paper 2) was received in advance of the meeting. The Committee reviewed the update on progress towards actions since the last meeting. The following matters arising were discussed:

25/23: MC would send round a sensitivity analysis, budgeted balance sheet and cash flow statement.

44/23ai: It was agreed to close the action.

44/23aii: PS said he would circulate an email prepared by the Interim Executive Director of Resources that certain of the other Governors might not have received.

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5/24 **Risk Management**

A 'Risk Register Feb 24 FRCP Extract' (Paper 3) was received in advance of the meeting.

The Chair reported that the consequences for financial and reputational impact had been discussed by the Governance, Search and Strategy Committee and were in the process of being reviewed. In particular, there was agreement that the financial costs for scores greater than 1 should increase. The Committee had also discussed the need for the risk register to be considered in its entirety to ensure that at the end of the process those risks that would have the highest impact on the College had the highest scores.

The Committee reviewed the risks in the register allocated to the Committee, in particular discussing:

- Risk 8 Insufficient Demand: The CQSE Committee had agreed this risk should be monitored by the FRCP Committee and had suggested that the risk score was too high, in particular for financial impact.
- Risk 11 Costs Exceed Income: It was suggested the scores were too high based upon the pending increase for financial risk scores above 1.
- Risk 12 Bank Loan: The Committee would need to monitor the operating surplus compared to debt ratio.
- Risk 16 Facility Integrity: It was suggested the scores could be reduced.
- Risk 17 Skills and Logistics Centre: There was a question over whether the scores should be higher.
- The CQSE Committee had suggested an increase in staff recruitment risk impact and likelihood.

It was agreed PS, MC, TS and SM would go through the risks allocated to the Committee in more detail.

**Action:** PS, MC, TS, SM

6/24 **Finance**

a) **Financial Regulations**

A 'Cover Sheet for Financial Regulations (Paper 4), 'Draft Financial Regulations (Paper 4a) and the Draft Treasury Management Policy (Paper 4a) were received in advance of the meeting.

Governors asked about 10.5 and Appendix H which implied that MC could approve Capital Expenditure of £300k and queried whether this was correct. MC said it wasn't, the wording would be amended to ensure it was consistent with the Scheme of Delegation.

It was noted that the link to the Procurement Policy would be added before circulation to the Corporation. The Treasury Management Policy formed part of the Financial Regulations but had been provided separately.

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IT WAS DECIDED MC would make the recommended changes to the Financial Regulations, including certain “clean-up” items that PS and MC had discussed, and they would be recommended to the Corporation for approval.

**b) Tuition Fees Policy**

The ‘Tuition Fees Policy’ (Paper 5) was received in advance of the meeting.

MC reported that the policy included a proposal to increase the fees for most courses to 4% in line with current rate of inflation.

Governors referred to clause 3 and asked who provided the loans. MC explained Advanced Learner Loans were provided by the Student Loan Company who paid the funding directly to the College.

Governors asked whether the College still accepted payment by cash. MC confirmed that it did although very few people chose to pay that way.

Governors asked how the fees compared to neighbouring colleges. MC said the fees were compared with other local colleges every year and remained competitive.

The CEO said there would be major changes to funding once the Lifelong Learning Entitlement came into force.

Governors asked whether the fees were always increased in line with inflation. MC said they were, apart from the last couple of years when inflation was very high.

IT WAS DECIDED to approve the Tuition Fees Policy.

**c) Financial Contracts**

A list of the major financial contracts was received in advance of the meeting (Paper 6).

The only contract due to expire before the next meeting was the Catering Services contract which had already been discussed by the Committee. The Tender Panel had completed the process and appointed Caterlink as the new provider.

Four contracts had expired and were operating on a rolling basis. MC summarised the action in progress.

It was noted that the energy contracts would be due for renewal on 30 September 2024. Due to their significant value, input from the Committee would be sought.

In response to a question from a governor, MC confirmed that the recent email about IT Capex spend circulated to Committee members had been dealt with within the Financial Scheme of Delegation. MC would check that the total amount of spend for the services component hadn't exceeded the threshold.

**Action: MC**

**d) Data Dashboard**

The Chair explained that when TA, PS, MC and KF had met to discuss the agenda, it had been decided to remove a review of the Development Plan as a standing item on the agenda on the basis that it was covered by the other committees and was reviewed by the Corporation. This would help improve efficiency.

The Committee reviewed the Key Performance Indicators relating to Finance in the Data Dashboard.

The Financial Health Grade was currently 'Outstanding' with a forecast operating surplus of £465K compared to budget of £400k. This included a £200k non-pay contingency. MC summarised the key variances compared to budget, both adverse and favourable.

e) **Management Accounts**

A 'Cover Sheet for Management Accounts Jan 24' and 'Management Accounts Jan 24' (Paper 7) were received in advance of the meeting.

Governors said it would be important to monitor the operating surplus to debt ratio as the cash balance was projected to decline below the loan balance in 2025. MC said it had been unusual for the College to have as large a cash balance as it had in the last 18 months and that it was projected to return to the norm. The projected operating surplus would need to fall by £1.2m from what was projected to breach the bank covenant.

Governors asked whether the College was continuing to accrue the rental payments for the Skills and Logistics Centre lease and MC noted it was.

f) **Indicative Funding Allocations and Planning Parameters for 2024-25**

A paper about 'Indicative Funding Allocations and Planning Parameters for 2024-25' (Paper 8) was received in advance of the meeting.

Projected movements in the main funding sources included projected growth in 16-19 Revenue Funding, High Needs Funding, Adult Skills Fund and Apprenticeships. It was noted that the predicted growth for SEND was part of a discussion about the longer term direction of travel for SEND provision as it would require changes to accommodation.

Projected increases in costs included an assumed pay award of 4%, the cost of delivering income growth and increased Teacher Pension Scheme employer contributions.

Overall, there was a predicted operating surplus of £250k and an EBITDA ratio of 6%. This was a reduction compared to the last couple of years but would still result in a Financial Health Score of 230 which would be in the top end of 'Good'.

Governors noted the projected position and that there would also be a reduced contingency. They asked for information about the position with the bank covenants to be included in future reports. MC said considering the outstanding borrowings at 31 July 2025 and the projected cash figures at the same time there would need to be a deficit of £1.2m to impact on the loan covenants (prior to the potential impact on cash should payments be made on the Skills and Logistics Centre lease).

g) **Annual Procurement Report**

It was agreed to consider the Annual Procurement Report at the next meeting.

7/24 **Estates and Sustainability**

a) **Critical Incident Plan**

A 'Critical Incident Plan Cover Sheet' (Paper 10) and a draft 'Critical Incident Plan' (Paper 10a) were received in advance of the meeting.

The Critical Incident Plan had been presented in response to a question from Governors at the last meeting of the Committee. It had been developed for

members of the Executive Team to use in the event of an incident as a quick start guide to support the team to deal with the incident.

Governors asked what type of incidents would be covered by the plan, for example, would it cover an offsite incident involving students. TS confirmed the policy would cover certain offsite incidents.

Governors asked how the policy would be communicated to key staff. TS explained the document would be limited to members of the Executive Team due to the fact it included personal information. The team would go through some exercises to be sure they knew how to implement the policy in the event of an incident.

Governors referred to the dos and don'ts on page 19. Under the list of it suggested staff should defend the College at all times. Governors queried whether this was the right thing to do if it was unknown whether the College had been at fault. TS said it referred to the fact that it was better not to comment in that type of situation.

Governors recommended that the College cross checked the plan with the local emergency services to check it was consistent with the way they managed their Gold Command and they suggested looking into whether it was feasible to arrange a facilitator in to run a desktop exercise.

IT WAS DECIDED to recommend approval of the Critical Incident Plan to the Corporation and that the Executive Team could make appropriate changes and not bring back to the committee for four years unless changes were deemed material.

**b) Annual Review of Skills and Logistics Centre Lease**

An update about the Skills and Logistics Centre Lease was received in advance of the meeting. The Committee reviewed the position with the Skills and Logistics Centre lease and IT WAS DECIDED to continue with the status quo.

Next year the Committee would need to discuss plans for the lease as it was due to run out in 2026. It was agreed to add an agenda item to the next Autumn term meeting of the Committee.

**c) Capital Expenditure Report**

A paper summarising the planned Capital Expenditure spend (Paper 11) was received in advance of the meeting.

At the start of the year, £2.6m had been available for capital expenditure. So far, the College had spent £700k. It was expected that the Energy Efficiency Grant, the College funding for this academic year and the ONS Reclassification Fund would be spent by the end of the academic year. This would leave the Further Education Capital Transformation fund of £1.3m and what the College set as a budget for next academic year.

Governors asked for more information about the 5 key projects the College was spending the funding on this year that were important strategically. It was agreed TS would circulate this information.

**Action:** TS

*SM left the meeting.*

**d) Data Dashboard**

The committee reviewed the KPIs relating to Sustainability in the Data Dashboard.

Overall, consumption had increased but the reasons were known. The main reason for the increase was the mechanical breakdown of boilers which had meant more

electric heaters were used. This issue had been resolved. Overall, the KPIs were heading in the right direction and the College was on its way to being a more sustainable organisation.

Governors asked for further information to be added to the Dashboard to include comparative spend to the same point last year.

**Action:** TS

e) **Sustainability Progress Report**

It was agreed to defer this item to the next Committee meeting. The Executive Team would review whether any additional information was needed that wasn't already covered by the Dashboard and the Development Plan. If no additional information is needed, the report will be abandoned.

**Action:** TS/TA

8/24 **HR Policies**

The 'Flexible Working Policy' (Paper 14) and the Leave of Absence Policy (Paper 15) was received in advance of the meeting.

Governors asked whether the policies were unique. The CEO confirmed that the policies were drafted using recommendations from the Association of Colleges. There were no significant differences. The Head of HR also checked with her HR professional network. The policies were in line with the sector.

IT WAS DECIDED to approve the Flexible Working Policy and the Leave of Absence Policy.

9/24 **Health and Safety**

The committee reviewed the KPIs relating to Health and Safety in the Data Dashboard.

The total number of accidents reported in the Autumn term was higher than for the same period last year, in part due to improved and more robust reporting mechanisms which enabled capture of more data. 123 accidents had been reported compared to 64 at the same point last year. There had been no incidents reportable to the Health and Safety Executive.

Risk assessments were being conducted in line with expectations and Health and Safety training was tracking well and was being monitored by the HR department.

The College currently had 38 PEEPs in place.

Governors asked TS to bring his perspective at a future meeting about whether there should be any additional areas reported on or actions the College should be doing or not doing with regard to Health and Safety.

**Action:** TS

*TH left the meeting*

*It was noted that the meeting was no longer quorate and agreed that it would continue but no decisions would be made.*

10/24 **Human Resources**

The Committee reviewed the KPIs relating to Human Resources in the Data Dashboard:

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- Sickness absence had increased slightly but that was likely to be due to the time of year. Long term sickness was a key contributory factor. MC summarised the support in place for staff on long term sickness.
- The staff ethnicity profile remained broadly representative of the student body.
- Staff utilisation was above target.
- Staff turnover was on track to achieve target, currently 9% compared to a target of 17%.

Governors said it would be interesting to look at the diversity profile of teaching staff as they were interacting with students every day.

**Action:** MC

#### 11/24 **Items for the Next Meeting**

- Annual Procurement Report.
- Annual Sustainability Report.

#### 12/24 **Date of the Next Meeting**

The date of the next meeting of the committee was Wednesday 21 June 2024 at 6.00pm.

### Summary of Actions

No.	Action	Lead	Target Date
5/24	Meet to go through the risks allocated to the Committee in the new Strategic Risk Register in more detail.	PS/MC TS/SM	Mar 24
6/24	Check that the IT Capex spend circulated via email to Committee members hadn't exceeded the threshold in the Financial Scheme of Delegation.	MC	June 24
7/24	Circulate more details about the 5 key projects the College is spending Capital Expenditure on this academic year.	TS	June 24
7/24a	Add further information to the sustainability section of the Dashboard to show comparative spend to the same point last year.	TS	June 24
7/24b	Review whether any additional information is needed in an Annual Sustainability Report that isn't already covered by the Dashboard and the Development Plan.	TATS	June 24
9/24	Bring a report to the next meeting about whether there should be any additional areas reported on or actions the College should be doing or not doing with regard to Health and Safety.	TS	June 24
10/24	Provide details of the diversity profile of teaching staff.	MC	June 24

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