



**Minutes of the Meeting of the
Finance, Resources and Capital Projects Committee**
held at 6.00 pm on Wednesday 19 June 2024 at the College

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

Apologies: 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

13/24 Welcome and Apologies

The Chair opened the meeting and welcomed everyone. Apologies for absence were received and accepted from SM.

14/24 Declarations of Interest

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

15/24 Minutes of the Last Meeting

Minutes from the meeting of the committee held on 6 March 2024 had been received in advance (Paper 3). IT WAS DECIDED the minutes were a true record of the meeting and they were approved.

16/24 Matters Arising

The 'Summary Action Point List' (Paper 4) was received in advance of the meeting. The Committee reviewed the update on progress towards actions since the last meeting. It was noted that 5/24, 6/24, 7/24, 7/24b, 9/24 and 10/24 were closed.

17/24 Finance

a) Latest Management Accounts

The 'Management Accounts Apr 24' (Paper 5a) was received in advance of the meeting.

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MC reported that the full year forecast was an improvement on previous with a forecast operating surplus of £500k compared to the budgeted surplus of £400k. The key favourable and adverse variances were summarised:

Favourable

£874k: 16-19 revenue funding
£416k: HNS funding from LAs
£221k: Other Income
£91k: Education contracts (Schools Link)

Adverse

£658k: Pay costs
£350k: Premises costs
£288k: Fee Income
£190k: Apprenticeships

The Financial KPIs were all on or better than target and giving positive scores. The Financial Health Score was 250 which was an 'Outstanding' grade.

Governors asked whether it would be possible to do a Profit and Loss analysis of under performing areas. It was agreed MC would do some segmental reporting on Higher Education, Apprenticeships and the Nursery.

Action: MC

Referring to the Cash Flow Forecast, governors said one of the entries appeared to be incorrect. MC confirmed that the Head of Finance would review and amend this as required.

Governors said it was positive that the College had managed to achieve a £100k improvement in terms of the financial position.

Governors asked whether the College had any concerns about the future financial operating performance of the College. The Executive Team said the only area of concern was the growth assumptions in the 2024-25 budget and, more so, the 2025-26 financial forecast which would be a stretch.

The Chair said he had recently attended a Finance Masterclass. Recommendations made at the training included monthly management accounts, 12 month forward cash flow (it was acknowledged this was already in place) and restricted cash versus unrestricted, which would be assessed in the Reserving Policy (paper 5f). He asked how difficult it would be for the College to issue monthly management accounts. MC said that monthly management accounts would not be accompanied by a full commentary but that it wouldn't be a problem to provide a monthly summary highlighting the key changes and/or areas of concern.

IT WAS DECIDED to note the management accounts.

b) **Budget and Financial Forecast**

The '2024-25 Budget and 2025-26 Financial Forecast' (Paper 5b) was received in advance of the meeting.

MC reported that the draft revenue budget for 2023-24 and financial forecast for 2024-25 delivered an operating surplus of £150k in 2024-25 reducing to £100k the following year.

There were some risks in the budget which were highlighted in the paper. Most of the risks related to the growth expectations. There was a degree of confidence in

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growth in certain areas for example High Needs Students and 16-19 funding was confirmed for 2024-25, but there was more uncertainty in other areas such as Apprenticeships.

Governors said benchmarking data showed Apprenticeships income was relatively lower than other London Colleges whereas Higher Needs income was higher. They asked whether one person was responsible for Apprenticeships. The CEO confirmed that the College had a Head of Apprenticeships. The Committee discussed the issues with Apprenticeships which were a combination of internal issues and wider Further Education issues. The CEO said she thought it was important that the College continued to offer Apprenticeships as they provided a progression route for students. If the current approach didn't lead to an improvement in two years, a further strategic discussion about the future of Apprenticeships might be needed.

There was a discussion about whether the Committee would benefit from a presentation about the Apprenticeships Strategy, however, it was agreed it would be a more suitable topic for the whole Corporation and it was noted that the CQSE Committee had discussed the approach to Apprenticeships at their last meeting. However, it was agreed the Committee would monitor the performance of the Apprenticeship program and the assumptions supporting the budget.

The Committee discussed issues with the Nursery income. Governors asked whether the College was running it in the right way or whether it should be done in partnership with someone else. The CEO said there was scope for the Nursery in the future and the College was currently looking at the business model. It was agreed to add a deep dive about the Nursery to the agenda of the next meeting.

Governors asked about the catering provision overspend. MC explained the College was required to subsidise the Caterlink contract by £55k a year. Other adverse movement was mostly down to an increase in expenditure in proportion to income.

Governors asked about the additional spend on staffing. MC said this was down to the assumed pay award, additional teaching staff, increased programme hours and an increased contribution to the Teacher's Pension Scheme. .

Governors asked about the premises spend and said it would be useful to have more details, as this represented about 50% of non-pay expenses excluding depreciation and interest.

Action: MC

Governors asked about the calculation of the Debt Service Cover. It was agreed that MC and PS would meet to discuss this after MC received clarity from the account manager at Barclays who was due to return to the office next week.

Action: MC/PS

IT WAS DECIDED to recommend the proposed budget to the Corporation for approval once governors were comfortable about the calculation of the Debt Service Cover.

c) Subcontracting Policy and Arrangements 2024-25

The proposed 'Subcontracting Policy and Arrangements 2024-25' (Paper 5c) was received in advance of the meeting. MC summarised the proposed Subcontracting arrangements.

Governors asked whether the College was required to arrange an audit of the Subcontracting arrangements. MC said the College would require an external audit

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Date:

of the Subcontracting arrangements in accordance with the ESFA Subcontracting Standard due to the value of the arrangement with Brentford FC Community Sports Trust exceeding £100k.

IT WAS DECIDED to recommend to the Corporation approval of the Subcontracting Policy and approval for the College in 2024-25 to subcontract:

- to the Gurdwara the delivery of Adult Skills Fund (ASF) provision with an approximate aggregate value of £20,000; and
- to Brentford FC Community Sports Trust the co-delivery of non-qualification activities on its Level 2 and Level 3 BTEC Diploma in Sport programmes with an approximate subcontract value of £160,000.

d) **Financial Contract Approval**

A paper summarising the financial contracts due (Paper 5d) was received in advance of the meeting. MC highlighted the contracts that were due to expire before the next meeting of the Committee:

- **Gas and Electricity:** The College had engaged the services of energy consultants to seek 12-month and 24-month offers for renewal from 1 October. Due to the values involved, it was agreed to add approval of the contracts to the agenda for the next Corporation meeting.
- **Mechanical and Electrical Servicing:** The current contract, which was not considered to represent best value for money would expire on 30 June 2024. The College would allow this contract to lapse then break up the service provision across two or more suppliers which should facilitate more cost-effective provision.

Governors asked whether there would be any risks if the contracts were allowed to lapse. TS said there weren't any risks.

- **Insurance:** The Committee was asked to approve the continued engagement of Hettle Andrews as brokers/consultants to seek renewal quotations from the insurance market to provide cover for the College until 31 July 2025. IT WAS DECIDED to approve spend on this contract up to £165k.
- **Payroll Services (London Borough of Hounslow):** IT WAS DECIDED to approve spend on Payroll Services up to £121k.
- **Subcontracted Provision with Brentford FC Community Sports Trust:** IT WAS DECIDED to approve spend up to £170k.

e) **Procurement Policy and Annual Procurement Report**

The 'Procurement Strategy' (Paper 5.0ei) and the 'Procurement Policy' (Paper 5.0eii) was received in advance of the meeting.

The Annual Procurement Report would be circulated to committee members by 31 July 2024.

Action: MC

Governors said they would be interested in knowing how the thresholds in the policy worked and how the College complied with the IR35 rules. It was agreed PS would take this forward with MC.

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IT WAS DECIDED to approve the Procurement Policy and the Procurement Strategy.

f) **Reserves Policy**

The draft 'Reserves Policy' (Paper 5.0f) was received in advance of the meeting.

MC explained the aim would be for the College to have a minimum of 60 cash days at any point in time, equating to a target level of cash reserves that is around £3.5m to £4m at least.

Governors suggested some changes to wording in the table on Page 3 of the document.

Governors asked whether the College needed to put aside reserves for the lease for the Skills and Logistics Centre. The College had accrued for it over the last few years. MC and the CEO said they didn't feel it was necessary to reserve at this point of time. It was agreed that if this view changed, the Committee would be informed.

IT WAS DECIDED to recommend approval of the Reserves Policy to the Corporation.

g) **College Financial Data Dashboard**

The 'College Governors Dashboard Report 9 May 2024' (Paper 5g) was received in advance of the meeting and was noted.

h) **College Financial Handbook (Preliminary Assessment)**

The 'College Financial Handbook 2024' (Paper 5h) was received in advance of the meeting. The Committee was satisfied the College was meeting the requirements in the Handbook.

18/24 Health and Safety

a) **Health and Safety Policy**

The 'Health and Safety Policy' (Paper 6a) was received in advance of the meeting. IT WAS DECIDED to recommend approval of the Health and Safety Policy to the Corporation, subject to some clean-up items PS had already communicated to TS.

b) **Health and Safety Report**

The 'Health and Safety Termly Report' (Paper 6b) was received in advance of the meeting. TS gave an update on Health and Safety:

- The College continued to be health and safety compliant in all physical and procedural statutory requirements.
- Completion of staff health and safety training continued to be monitored closely.
- There were no accident or incidents reportable to the Health and Safety Executive (HSE) as RIDDOR (Reporting of Injuries Diseases and Dangerous Occurrence Regulations) during this reporting period.
- Accidents: the number of recorded incidents was up by 21%, predominantly attributed to Nursery. The College were aware of the reasons.
- Risk Assessments: 21 Risk Assessments were conducted in the reporting period. 86% of these were attributed to trips categorised as low risk. This was lower than in the same period last year.

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Governors said the report referred to a Health and Safety Action Plan and asked whether it was in place. TS confirmed it was and was regularly monitored by the leadership team.

The Committee discussed whether any additional information was required and agreed it would be useful to receive information about accident claim cases.

19/24 **Human Resources**

a) **Redundancy Policy**

The Redundancy Policy (Paper 7a) had been received in advance of the meeting.

Governors asked whether employees were required to accept a position they had been offered if it was a lower grade. The CEO said they weren't.

Governors asked why the trial period for slotting in was longer than the general period. The CEO said training might be required in these instances which would require a longer period.

IT WAS DECIDED to approve the Redundancy Policy that had been received in advance of the meeting subject to some clean-up items PS had already communicated to MC.

b) **Equality and Diversity Policy**

The 'Equality, Diversity and Inclusion Policy' (Paper 7b) was received in advance of the meeting.

The Committee discussed the equality objectives and whether specific percentages should be included in the Policy, as quantitative objectives could change over time. It was suggested the percentages could be changed to state they would be linked to and measured in accordance with the Strategic Plan.

Action: MC

Governors asked whether the College had an Annual Equality Action Plan. It was agreed MC would check.

Action: MC

IT WAS DECIDED to approve the Equality and Diversity Policy that had been received in advance of the meeting, subject to modifying the wording for percentages in the objectives.

20/24 **Committee Terms of Reference**

The proposed 'FRCP Committee Terms of Reference 2023-24' (Paper 8) was received in advance of the meeting.

IT WAS DECIDED to recommend the Terms of Reference to the Corporation for approval.

21/24 **Risk Management**

The 'Risk Register FRCP Extract' (Paper 9) was received in advance of the meeting. It was noted a new Regulatory Risk had been added addressing non-compliance with funding agreements. There were no further comments or questions.

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22/24 **Data Dashboard**

The Committee reviewed the relevant KPIs in the data dashboard:

Human Resources

Staff sickness had reduced slightly to 4%. 2.3% of this was long term absence. The sickness rate compared unfavourably with the College target of 3.2% and sector benchmarking. Staff turnover, staff utilisation, the disability and ethnicity profile all continued to be on track.

Governors asked where the College was in terms of vacancies and whether there were any concerns about retention or recruitment. The CEO said there were no concerns about retention. Recruiting high quality staff continued to be a challenge.

Sustainability

Electricity consumption was slightly up on last year. Gas consumption was tracking below last year. There was still work to be done on both.

Recycling and Waste: Compared to the same period last year, there had been a significant reduction in the quantity of A4 and A3 paper printing that has taken place.

Governors congratulated the College on the reduction in paper usage.

23/24 **Estates**

A paper detailing the key capital expenditure projects was received in advance of the meeting. (Paper 11). TS summarised the key Capital Expenditure projects:

- Accommodation and estate improvement works were planned to commence on 14th July. The works at Isleworth include some redecoration, repairs and replacement to floor coverings, repairs to roof cladding, plaster patch repairs in common spaces, including toilets, for a total project cost of £219k. IT WAS DECIDED to approve the proposed spend.
- The installation of over 400 solar panels in six arrays across the roofs of the College were planned to commence on 8th July 2024. The cost of the installation was £275k. It was noted the spend on the solar panels had already been approved.
- An IT server and storage project was undertaken in the Spring term to refresh the hardware at the core of the College's IT system. The project cost was £236k. It was noted the spend on the IT project had already been approved.
- An electric van was purchased for the Estates department in order to minimise the environmental impact for between campus and to suppliers. An EV charging point has also been installed at Isleworth. The cost of the vehicle and charge was £51k.
- A redecoration of the Motor Vehicle workshop was planned to take place over the summer break at Feltham. The cost of the works was £38k. IT WAS DECIDED to approve the proposed spend.

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

- Nursery Deep Dive.

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25/24 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
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
17/24	Provide some segmented reporting on Higher Education, Apprenticeships and the Nursery.	MC	Nov 24
17/24b	Provide more details about the proposed premises spend in the budget.	MC	Nov 24
17/24bi	Meet to discuss the calculation of Debt Service Cover.	MC/PS	June 24
17/24e	Circulate the Annual Procurement Report to committee members by 31 July 2024.	MC	August 24
19/24b	Review the equality objectives in the Equality, Diversity and Inclusion Policy to decide whether the percentages are right. Consider changing them to say they will be measured in accordance with the Strategic Plan.	MC	Nov 24
19/24b	Check whether the College has an Annual Equality Action Plan.	MC	Nov 24

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