

**Tuesday 20th June 2023 at 5.30pm
Remote Online Meeting**

MINUTES

Members:

Mr Michael Belfound – Chair of the Committee/Foundation Governor
Mrs Sarah Medicoff - Foundation Governor
Mrs Eve Preece – Staff Governor (support staff)
Mr Nader Sheta – Vice Chair of the Committee/Foundation Governor
Mr Graham Thompson – Principal

Invited to attend:

Ms Clare Baskott - Clerk to Governors
Mr Ciaran Graham – Associate Principal (Observer)
Mrs Margaret Searle - Director of Finance & Resources

The meeting was quorate.

Item 1 Opening Prayer

The Principal opened the meeting in prayer at 5:32pm.

Item 2 Apologies for absence

Apologies were received from Eve Preece who would be joining the meeting late.

Item 3 Declarations of Interests

None.

Item 4 Minutes of previous meeting, 21st February 2023: for review and agreement for signing (*in papers*)

The minutes of the previous meeting were agreed to be an accurate record of the meeting and will be signed in due course.

Item 4.1 Matters Arising for this meeting not on the agenda.

The Chair of the Committee noted that the Accountability Agreement for 2023 to 2024 will be presented for approval at the Full Governing Board meeting on 4th July 2023. Clerk to add to the agenda. **Action: Clerk.**

Item 4.2 To review the Committee's Terms of Reference (routine review)

The Committee approved the updated Committee's Terms of Reference.

Item 5 Premises and Accommodation

Item 5 Reports and plans: Mr Graham Thompson - Principal

The Principal gave an update. The Wave 4 capital project was due to complete on time. There had been some delays to the project due to issues with the security

alarms. The project has provided the college with three spacious classrooms and a nursery area for the T Level Childcare course. IT will be installed ready for September 2023.

The college had been successful in a Condition Improvement Fund bid for water infrastructure. The bid was a resubmission from a previous year and the college will be making a 10.1% contribution. A bid for flat roof funding had been unsuccessful and will be resubmitted in the autumn term and this was linked to the college's sustainability agenda.

A discussion took place about contingency in the budget. The Director of Finance and Resources explained that contingency was always factored into the budget for capital projects.

The Principal referred the Committee to the current Wave 5 T Level Capital Funding to refurbish the first floor of the college for a learning space for the Media and TV Broadcasting T Level course. The college was expecting to hear if the bid had been successful in the last week of July. It had been agreed that the Finance and Resources Committee will agree whether to proceed with the project at the meeting in September 2023. Clerk to add to the agenda. **Action: Clerk.**

Eve Preece joined the meeting at 5:41pm.

The Principal reported that the college had received an air source heat pump through the Central London Strategic Development Fund. The air pump and solar panels will be used to upskill students. A local skills fund had been announced to provide resources for digital and green skills. The Central London Strategic Development Fund were bidding for £2.5M of funding which will be shared between training providers across four regions of London. The funding may be used to relaunch the college's digital strategy.

Governor question: With the increasing cost of living, are students finding they cannot afford to purchase iPads?

Response: The college has been building up a bank of iPads and relying on some students to purchase their own. However, most students are not able to afford to purchase iPads because of increasing living costs and we do not think it appropriate to ask them to purchase them.

Item 5 Annual programme of works

The Principal gave an overview of the annual programme of works. The college had secured planning permission to develop additional social space outside in the quad and this work will be completed over the summer holiday period. The Director of Finance and Resources explained that there were sufficient funds in the Devolved Capital Grant if the project went over budget.

The Principal reported that the equipment in the gym was almost twenty years old and was coming to the end of its life. The college was obtaining quotes for updating the

gym to include cross training equipment and had been quoted £45k to undertake the refurbishment. It was agreed that the gym was a USP for attracting new students to the college. The Gym Supervisor had also recently undertaken a strength and conditioning course.

Item 5.2 Insurance update: Mrs Margaret Searle – Director of Finance and Resources

The Director of Finance and Resources gave an update following a recent meeting with the college's insurance broker. Due to the ONS reclassification of colleges there was some uncertainty regarding insurance and future limitations. The college had agreed to a one-year extension with an inflationary 5% increase, compared to the previous year. Insurance costs were based on staff pay. New insurance guidance was expected to be released in 2024, which will tie in with the updated College's Financial Handbook's release in March 2024. Cyber, travel and engineering cover were not expected to be covered in the future insurance offer. Insurance will be reviewed again in conjunction with the new guidance.

A discussion took place about cyber insurance.

The Committee thanked the Director of Finance and Resources for the update.

Item 6 Annual Health and Safety Report: Mr Graham Thompson

The Principal gave an update on the Annual Health and Safety report which had been written by the Health and Safety Compliance Officer. The Health and Safety Committee had recently reviewed their terms of reference and updated both the Health and Safety Policy and the Fire Safety Policy. A First Aid policy had been introduced and all first aiders had received additional training. Recent training had also included the use of the EVAC chairs. The college had invested in a platform to alert when policies were due for review, certificates needed to be updated and this system will also enable staff to report H&S incidents. A Health and Safety audit was planned for the summer term. The Principal gave an overview of future projects as outlined in the report.

The Committee approved the comprehensive Health and Safety report which will be presented to the Full Governing Body on 4th July 2023 for approval.

Item 7 SFX Corporate Services Limited: Report from SFX Corporate Services Board meeting, 6th June 2023

The Director of Finance and Resources gave an update and explained that the report was a summary of SFX Corporate Services financial position at the end of April 2023. The nursery was performing better than had been predicted and it was hoped that the provision will turn a surplus this year. Booking for the nursery and lettings had all been impacted by Covid but bookings for both were now increasing and aspirational targets had been set. The marketing manager was working on a strategy to increase bookings to maximise revenue. The updated quad was expected to increase bookings for social events. SFX Corporate Services Limited had low overheads.

A discussion took place about lettings. A Governor noted that it was difficult to find out who to contact to make a booking for lettings on the college website. The Principal explained that the college website will be updated and in the meantime the college will use Google Ads and social media to promote lettings.

Item 8 Financial:

Item 8.1 Monthly Commentary Accounts and Cashflow (accounts up to and including 31st May 2023, have been circulated to all governors since the last meeting including the ESFA dashboard.)

ESFA:

Item 8.2 Letter dated 29th March 2023 Adrian Brook Financial Statements Review 2021 to 2022 and April Dashboard report

The Chair of the Committee gave an update. Adrian Brook from the EFSA had confirmed the college's financial management rating was outstanding for the accounts dated 2021 to 2022. Mr Brook had also raised an issue with the Statement of Regularity, which was not in line with the format, due to a late change by the EFSA. The Director of Finance and Resources explained that the EFSA understood that there had been a late change in their guidance and they had confirmed that the accounts did not need to be resubmitted.

The Committee noted the letter and April Dashboard report.

Item 8.3 Annual Strategic Conversation with the Department of Education ("DfE")

The Chair of the Committee reported on the Annual Strategic Conversation with the DfE on 14 June 2023 attended by the Chair of Governors, the Principal and the Director of Finance & Resources. The meeting was chaired by Chris Dearnley, Head of Territory London South and Surrey, and Frances Wadsworth a Deputy Further Education Commissioner also attended. The DfE will write to the Principal to outline what was discussed and the next steps.

A discussion took place about cyber security and the risks of a future cyber-attack. A London FE college had suffered a serious cyber-attack in December 2023.

The college stressed at the meeting that salary costs were a key concern for the future due to the on-going uncertainties of funding and industrial action. The Director of Finance and Resources explained that the ESFA were aware that the college struggled to get to the 75% benchmark, current staffing was 78% of the college budget. The college had been hindered by the pay rises, which were not fully funded by the government.

Items 8.4 Financial forecast/plan

The Director of Finance and Resources gave an update and outlined the key areas in the Summary Commentary on the Return. The supporting commentary in accordance with ESFA guidance will require to be filed with the Return by 31 July 2023. A draft commentary will be sent to the Chair of the Committee following the meeting to enable review prior to the Governing Body meeting.

The discussion included matters arising from review of the College Financial Forecasting Return ("CFFR").

The actual return had not changed very much, benchmarking had been removed. Last year the college's financial management was graded as 'outstanding', and the initial forecast for this year was 'good'.

The Director of Finance and Resources reported that the college will receive increased funding for any additional students who had joined. The Teacher's pay increases had not been agreed and more industrial action was expected to take place. The 5% pay increases had been revised with an additional 1% in the updated budget. The Director of Finance and Resources gave an overview of the key points outlined in the accounts.

There was reduced funding as a result of falling student numbers last year and pay inflation of 6%. Due to inflation, non-pay costs were also increasing. The utilities contracts were due for renewal in 2024. The biggest variable cost was staff pay: the benchmark was 75% of income, but it was expected that staffing will be around 80% of budget in the future. The college did not intend to make any staff cuts, as student numbers for September 2023 were looking positive. The college was investing in the estate and the majority of the capital expenditure was partially funded. However, the college needed to be mindful of any potential clawback in year from T Level funding.

Governor question: If the college is successful for the T Level Broadcast and TV funding, can the Committee see the funding cost per student and how this compares to other courses and what additional investment will be required?

Response: Yes, we can provide these details. The T Level Broadcast and TV course will require a high level of investment in order to keep up with changing technologies. Accounting, Business and Childcare have low levels of investment in equipment.

A discussion took place about staffing levels and benchmarking and increasing staffing costs. The Principal explained that the college regularly scrutinises staff costs. The budget had been impacted because there were 100 fewer students than forecast last year. The budget for 2023/24 had been set conservatively, with a forecast of 1250 students. The Principal explained that a lot of work had gone into promoting the colleges this year and 577 students had signed up for the Experience Day scheduled to take place on 30th June 2023.

A discussion took place about the future financial management rating of the college which had also been discussed at the Strategic Conversation. On the proposed new ESFA health score the college would be downgraded from "outstanding" to "good", even though nothing had changed.

Item 8.5 College Financial Forecasting Return ("CFFR") including College Budget for 2023/24 – Three-year template and supporting commentary for filing with the EFSA by 31st July 2023.

The Principal as Accounting Officer is required to sign the Declarations on the return which include confirmation that the Governing Body has approved the college's budget for the year ending 31 July 2024 and that the plan and accompanying commentary have been reviewed by the Governing Body.

The Committee approved the College Financial Forecasting Return including the College budget for 2023/24 and recommended it to the Full Governing Body for approval at its meeting on 4th July 2023.

Item 8.6 Recommendations from the Remuneration Committee (to note that account has been taken in the budget for any recommendations arising)

The Chair of the Committee had received a formal letter from the Chair of the Remuneration Committee. The Chair of the Committee confirmed that the Remuneration Committee's recommendations were affordable to the College. This will also be reported to the Full Governing Board at the meeting on 4th July 2023.

Item 8.7 Funding update

It was agreed that this had been covered above.

Item 8.8 Staff pay awards update

The Principal gave an update. The pay award had not been confirmed; the unions were asking for a 11.9% pay increase and the employer had offered between 5-9%. The college had been given the authority to make the payment of between 5-9% which had been backdated to September 2023. However, it was possible that the unions may negotiate a higher settlement. The NEU had notified of two more strikes on 5th and 7th July 2023 and the NASUWT had also recently balloted members, who had also agreed to some form of industrial action.

Item 8.9 Policy review (in papers): Treasury Management Policy

The Director of Finance and Resources gave an update. The policy had been updated to refer to the ESFA guidance on borrowing (which resulted from the ONS reclassification of colleges).

The Committee approved the Treasury Management Policy for approval by the Full Governing Board at the meeting on 4th July 2023.

Item 8.10 Monitoring Report (in papers)

The Committee noted the Monitoring Report including an automatic "sweep" from the current account to the premium account with a minimum balance of £1 million to be held in the current account.

Item 8.11 College Financial Regulations and Associated Policies: update and revision for 2023 – 2024 (in papers) for review and agreement to recommend to the FGB for approval

The Director of Finance and Resources gave an update on the summary, which was outlined in the report. An external agency wrote the tenders for any bids and the Financial Regulations had been updated to reflect this along with the Managing Public Money controls.

The Committee agreed to recommend the College Financial Regulations and associated Policies for review and approval by the Full Governing Body at the meeting on 4th July 2023. Clerk to add to the agenda. Action: Clerk.

Item 8.12 Rateable value update

The Director of Finance and Resources gave an update. The College had re-engaged the agent who dealt with both rate reviews should there be a rate increase in the future.

Item 8.13 FMCE Improvement Plan: to note the progress report reviewed by Audit Committee, 16th May 2023

The Committee noted the FMCE Improvement Plan. The number of student applications had increased since the document was circulated to the Audit Committee. There were currently 2,800 student applications for September 2023.

Item 9.1 Schedule of meeting and Business draft for agreement

The Committee approved the schedule of meetings and Business for 2023/24.

Item 9.2 Membership: Updates (if applicable)

There were no updates.

Item 10 Committee review of effectiveness, membership and skills: online questionnaire for completion after the meeting

It was agreed that the Clerk will circulate the survey following the meeting. **Action: Clerk.**

Item 10.1 Has the Committee identified any new or heightened risks to be advised to the Audit Committee for the risk register?

None.

Item 11 Any Other Business

None.

Item 12 Identification of confidential items

None.

Item 13 Dates of meetings for 2023-24

- Tuesday 19th September 2023 at 5:30pm

- Tuesday 14th November 2023 at 6:00pm
- Tuesday 20th February 2024 at 5:30pm
- Tuesday 18th June 2024 at 5:30pm

Item 14 Close of meeting

The meeting closed at 7:07pm.

The Chair of the Committee thanked all present for attending and for their knowledge and enthusiasm.

Signed: _____ **Date:** _____
Chair of the Committee

Actions:

Action 1: It had been agreed that the Finance and Resources Committee will agree whether to proceed with the project at the meeting in September 2023. Clerk to add to the agenda. **Action: Clerk.**

Action 2: The Chair of the Committee noted that the Accountability Agreement will be presented for approval at the Full Governing Board meeting on 4th July 2023. Clerk to add to the agenda. **Action: Clerk.**

Action 3: The Committee approved the College Financial Forecasting Return including the College budget for 2023/24 and recommended it to the Full Governing Body for approval at its meeting on 4th July 2023. Clerk to add to the agenda. **Action: Clerk.**

Action 3: The Committee agreed to recommend the College Financial Regulations and associated Policies for review and approval by the FGB at the meeting on 4th July 2023. Clerk to add to the agenda. **Action: Clerk.**

Action 4: Committee review of effectiveness, membership and skills: online questionnaire for completion after the meeting. It was agreed that the Clerk will circulate the survey following the meeting. **Action: Clerk.**

Action 5: The Committee noted the comprehensive Health and Safety report which will be presented to the Full Governing Body on 4th July 2023 for acceptance. Clerk to add to the agenda. **Action: Clerk.**

Action 6: The Committee approved the Treasury Management Policy for ratification by the Full Governing Board at the meeting on 4th July 2023. Clerk to add to the agenda. **Action: Clerk.**