

## GOVERNORS FINANCE & RESOURCES COMMITTEE

**Tuesday 21<sup>st</sup> June 2022 at 5.30pm**

**Remote via online video conference**

### **MINUTES**

#### **PRESENT:**

Mr D Freeman, Foundation Governor  
Ms R Clark, Staff Governor  
Mr G Thompson, Principal  
Mr M Belfourd, Foundation Governor, chair of Committee

#### **IN ATTENDANCE:**

Mrs M Searle, Director of Finance & Resources  
Mr C Graham, Associate Principal, observing  
Mrs E Lewis, Clerk to the Governors

**The meeting was opened at 5.34pm by Mr Belfourd. It was quorate throughout and all participants were able to see and / or hear one another.**

1. **Opening Prayer:** offered by Mr Thompson
2. **Apologies:** Mr N Sheta
3. **Declarations of Interest:** There were none
4. **Minutes of meeting held on 22<sup>nd</sup> February 2022:** Included in the papers and previously circulated 1<sup>st</sup> March 2022, were agreed to be a true and accurate record for signing in due course.
5. **Matters Arising: other than agenda items:**
  - 5.1. **Catering Contract re-tendering:** Mr Belfourd advised the committee that he had been in correspondence (copied to Mr Sheta) with Mrs Searle about renewal of the contract.  
Mrs Searle explained that a tender process had been instigated using Tenet<sup>1</sup> for renewal of the contract via the CPC<sup>2</sup> but this had failed to attract any interest other than from the incumbent contractors, *Caterlink*. Mrs Searle confirmed that there had been an improvement in both the provision and the management and staff and that more students were using the canteen. She advised that there had been an option to extend the contract for 6 months from 1<sup>st</sup> August 2022 but it was felt that this might destabilise a currently good service. A new tender had been sought from *Caterlink* to extend the contract for three years from August 2022.  
Mrs Searle outlined the benefits of the new contract including installation of a new cash system, updated signage, improved marketing to students and staff and a new coffee machine. The subsidy and profit-sharing arrangements had been reviewed and it was forecast that the college could receive a share in the increased revenue next year.  
Mr Belfourd supported the proposal to extend the contract emphasising the benefit of having an agreement in place going into a period of uncertainty when catering costs

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<sup>1</sup> <https://www.tenetservices.com/services/catering-consultancy/>

<sup>2</sup> Crescent Purchasing Consortium

were rising and the FCM<sup>3</sup> funding may go down.

**The proposal to extend the contract with *Caterlink* for a further three years from 1<sup>st</sup> August 2022 was approved unanimously by the committee as required under the College Financial Regulations.**

6. **Actions outstanding from previous meetings:** There were none.

7. **Premises and Accommodation:**

7.1. **Strategic Issues:**

**Reports and plans:** Mr Thompson introduced the “Capital Projects, Accommodation and Premises Report, June 2022” which had been included in the papers for the meeting.

**a. Condition Improvement Fund (CIF) 21/11 - Boiler Works:** Mr Thompson reported that the new boilers were operational but the overall project had slightly overrun due to unexpected additional remedial work required to some of the pipework. There would be an additional cost to the college, not covered by the CIF grant, currently estimated at £16,302 + VAT. Mrs Searle added that there would be a meeting the next day between Barkers (project managers) and Quay (builders) to confirm the extent of the trench works and how they would dovetail with the Business Hub project. She advised that this might give rise to further expenditure from reserves to make sure that the tarmacked area is left looking good. It was accepted that these additional costs could not have been foreseen.

**b. T level business hub project:** Mr Thompson confirmed that, following a tour of the site the previous day, the building was looking good and was on schedule for completion in mid-August. He explained that sourcing and supply of hardware and IT equipment was presenting the biggest risk to the building being ready for delivery of the T level course but outlined a contingency plan for the interim period, if necessary. An opening ceremony might be planned.

**c. Condition Improvement Fund (CIF) 2022 / 23:** Mr Thompson reported the success of one of the two bids submitted to the fund – the project to replace fire doors across the college – a resubmission of a previously unsuccessful bid. The grant awarded was £131,819 and the college contribution would be £26,999. Mr Thompson explained that Barkers had supported the writing of the bid and would manage the project. Quay Ltd would carry out the work ensuring continuity as they had completed earlier phases of the first door replacement project. The other bid, which had not been successful, was to upgrade pipework supplying water to the main building – it was intended to resubmit this to the next round of bidding for CIF monies.

**d. T Level Capital fund 2022 – for delivery of T levels in 2023:** Mr Thompson recapped the bid outlined to the previous meeting of the committee for capital funding to re-purpose accommodation for the delivery of further T Level courses based on an estimated indicative costing from a quantity surveyor in the region of £400k - £500k. The final application for funding had been costed, written and submitted since that meeting, ahead of the 11<sup>th</sup> March 2022 deadline.

A written resolution of the governing body on 2<sup>nd</sup> March 2022 had approved a financial commitment of £80k – £100k (20%) by the college which had been based on the initial surveyors estimated cost of the project.

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<sup>3</sup> Free College Meals

The outcome of the bid for funding was expected during the summer. The project had been put out to tender to contractors and the four responses had been opened by Mrs Lewis in the online presence of Mr Belfour and the actual presence of Mrs Preece (staff governor). Mr Thompson's report noted the tenders received ranged from £552,379 plus VAT to £808,010 plus VAT.

Mr Belfour highlighted that the application for funding was based on a costing of £655,650 which had increased, following the completion of a full survey, from the initial indicative estimate of £400 - £500k. Consequently, the college financial commitment would increase from £80k - £100k to £131,130. It had not been possible to check during the meeting whether the cost was inclusive or exclusive of VAT.

**ACTION: Mr Thompson to advise whether the figure in the application included or excluded VAT<sup>4</sup>.**

Mr Belfour commented that the gap between that original estimate and the actual tenders received was not entirely surprising given the sharp rises in costs and materials, but he emphasised the need to be clear whether the costs in the bid application included or excluded VAT and, therefore, what the college contribution would be.

Mr Belfour recollected that after the tenders had been opened MEB Design (the project managers) would be comparing and checking them against the specifications. He asked when they would report on that and whether it would be prior to the meeting of the Governing Body on 5<sup>th</sup> July 2022 so that actual costs could be quoted.

**ACTION: Mrs Searle to confirm with MEB Design.**

It was confirmed that no contract would be let, or work commissioned, until the outcome of the bid and value of any grant awarded was known. It was agreed that, as this may not be in time for the meeting of the full governing body on 5<sup>th</sup> July, that Board approval of the actual financial commitment from college funds may have to be sought by written resolution.

**ACTION: Mr Thompson to update his paper prior to the full board meeting.**

**ACTION: Mrs Lewis to check how long prices quoted in the tenders are held for<sup>5</sup>**

**ACTION: The governing body would be advised of the revised cost of the project in the bid application and approval sought for the higher linked financial commitment from college reserves than had been approved by written resolution on 2<sup>nd</sup> March 2022.**

#### **e. Strategic Estates Review – Future proofing the college Estate**

Mrs Searle said that the two surveys (topographical and condition) would be undertaken in the summer to provide an accurate plan of the site in 2D and 3D and an up to date comprehensive condition survey to inform future strategy and funding bids. It was noted that this was not being done as a requirement by the Diocese or any other stakeholder but the benefit of having the surveys was agreed. The tender specification had included sustainability and a review of compliance documentation. The report recorded that the best of three quotes for an all-round service had come in at £18,750 + VAT.

Mr Belfour asked whether the Diocese would be provided with a copy of the surveys in recognition of their ownership of the land. Mr Thompson confirmed this would be

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<sup>4</sup> Confirmed to be inclusive of VAT

<sup>5</sup> Prices held for four months from the date of the tender submission document

done. He commented that the Diocese offered *Statlog* free of charge, but the college was not in scope for that provision. [College priorities for the Strategic Estates Review had been appended on pages 26 – 33]

**f. Health and Safety:** Mr Thompson noted that asbestos classified as low risk had been found around the college during an asbestos management survey. He advised that a regulatory certified re-inspection survey would be carried out annually.

**g. Covid-19 Adaptations:** There had been no further spend related to Covid-19

**h. Sustainability:** Mr Thompson emphasised how environmental awareness and sustainability were considered in all future plans for the college and would be an additional theme of the college three year strategic plan, 2022 - 2025. He said that the college would align with the policy paper recently published by the DfE outlining a strategy for education on sustainability and climate change<sup>6</sup> and that some bids would carry a requirement to demonstrate compliance with the sustainability agenda.

**i. Dukes Education:** The committee noted the update on the plans that Dukes Education has for the former Oliver House site. Mr Thompson reported that he had met with key staff who had outlined their interest in acquiring the college nursery. He stressed the value of the nursery to the college and local communities and advised that if viable proposals were put forward by Dukes Education, the Diocese would become involved. The current plan was to open an 11 – 16 school with a roll of 300 in September 2023 once refurbishment was complete. Mr Thompson would continue to establish a working relationship with the Dukes Education team including exploring potential for letting facilities.

7.2. **Annual Programme of Works:** The planned works with costs and sources of funding summary appended (page 34) to the report were taken as read and noted to be subject to review pending the result of the bid for T Level capital funding discussed earlier in the meeting.

Minutes of PMG and site meetings on 25<sup>th</sup> February 2022, 20<sup>th</sup> April 2022, 13<sup>th</sup> May 2022, 22<sup>nd</sup> November 2021, 21<sup>st</sup> February and 21<sup>st</sup> March 2022 had been appended to the report.

8. **Insurance Update:** Mrs Searle reported a remote meeting with [Hettle Andrews] the brokers reviewing the risk assessments prior to preparing a quote for the premium for 2022 – 2023 which would be the fifth and final year of the current contract. She forecast an increase in the region of 5% and outlined the factors that would lead to that including the addition of the newly built Business Hub once handed over. The college was credited with being the only college with a record of no-claims and would be receive a rebate in recognition of this. The committee noted that a tender would be due in 2023<sup>7</sup>. Mrs Searle confirmed that a good working relationship was in place.
9. **Annual Health & Safety Report:** Mr Thompson presented the annual report which had been included in the papers for the meeting. He noted that the co-ordinator in post had succeeded an experienced, long serving member of staff who had left at Christmas, and confirmed that appropriate training and help was in place to develop and support her. The

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<sup>6</sup> <https://www.gov.uk/government/publications/sustainability-and-climate-change-strategy/sustainability-and-climate-change-a-strategy-for-the-education-and-childrens-services-systems>

<sup>7</sup> Added to schedule of dates and business for 2022 - 2023

report concluded general up to date compliance with health and safety requirements. There had been no major incidents during the year with only one accident to a member of staff who broke a toe.

Mr Thompson would follow up a referral from Mr Navarro (foundation governor) to an outside contractor who would offer an health and safety support service. Mr Navarro had suggested to the third party that an introductory rate might apply for the introduction..

**The annual report was accepted and would be proposed to the meeting of the full governing body on 5<sup>th</sup> July 2022 for acceptance.**

10. **SFX Corporate Services Ltd:** Mrs Lewis<sup>8</sup> introduced the business report as presented to the SFX Corporate Services (“SCS”) Board meeting held on 9<sup>th</sup> June 2022, which had been included in the papers for the meeting. She confirmed that the single source of income being generated was from lettings (hiring out the premises and facilities of the college) and that this business was being grown through a revitalised marketing and promotion strategy which included the engagement of a sales person. The forecast income for the current and next year were noted. Mrs Lewis advised the committee that the intention to hold back some of the income before gift-aiding to the college had been reversed following advice on corporate tax implications.

## 11. Financial:

- 11.1. **Monthly Commentary Accounts & Cashflow:** Accounts up to and including April 2022 had been circulated to all governors since the previous meeting and, it was noted that the May 2022 accounts had been distributed by email earlier in the day and that this set was the first that had not been filed with ESFA. Mr Belfour noted the importance of all governors monitoring of the financial affairs of the college. He commented that the April balances were used as the actual figures in the CFFR return.

### 11.2. ESFA:

- 11.2.1. **Correspondence, March 2022:** The committee noted from the papers a letter from Adrian Brook “Financial Statements Review 2020 to 2021” and the April Governors’ Financial Dashboard report.
- 11.2.2. **Annual Strategic Conversation:** The first conversation had taken place on 16<sup>th</sup> June 2021, early in the newly introduced routine. The expectation was for it to be an annual arrangement but no invitation or information had been received for this year. A recent restructuring of the ESFA / DoE teams may have caused a delay or pause. Mr Thompson confirmed that Mr Edwin Dhauke, Senior Manager at the DfE, remained the territorial team member / case manager for the college.
- 11.2.3. **To note Early intervention status has been lifted:** Notification had been received on 24<sup>th</sup> May 2022 that the college had been lifted from early intervention and would no longer have to submit monthly accounts and cashflow forecasts.

### 11.3. Financial forecast / plan

- 11.3.1. **CFFR (College Financial Forecasting Return):** The completed 3-year template (Spreadsheet) and supporting commentary “ESFA Finance Health Checker / Budget 31<sup>st</sup> July 2022 – July 24 (Summary Commentary)” for filing with the ESFA by 31<sup>st</sup> (Friday 29<sup>th</sup>) July 2022 had been included in the papers for the meeting. The committee was reminded that the accounting officer (the principal) would make a declaration on the return confirming that the governing body had

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<sup>8</sup> Director (Chair) of SFX Corporate Services Ltd

approved the CFFR and that it supports the strategic objectives of the governing body. A copy of the College financial planning handbook (ESFA, March 2022) had also been included in the papers for the meeting for reference. Mr Belfour highlighted that Annex A provided a checklist of assumptions and suggested areas to cover in the supporting commentary.

**Commentary:** Mrs Searle explained that the document “ESFA Finance Health Checker / Budget 31<sup>st</sup> July 2022 – July 24 (Summary Commentary)” would be finalised after the discussion at this meeting along with a final check against Annex A, for presentation to the governing body for approval.

**Spreadsheet:** Mrs Searle and Mr Belfour guided the committee through the populated CFFR spreadsheet drawing out the headline figures of expenditure including capital and explaining how the data could be checked against the actuals in the management accounts. Mrs Searle underlined that the two biggest areas of expenditure were salaries and estates. She explained the salary / staffing budget and how that had been forecast. She advised that a 5% increase had been assumed for the coming year and 8% over the two year forecast period. Mr Belfour agreed that the staffing costs prudently predicted the worst case scenario.

Mrs Searle explained how estates and utilities costs had been estimated and the impact of the steep increases for services. She noted that devolved capital money would be used to pay for the surveys.

The predicted health grades were noted to be calculated as “good” for each of the three years, although Mrs Searle pointed out the potential impact a proposed new system of calculating the financial health rating, which would remove the benefit of having no borrowing, could have. Mr Belfour said that both calculations were included on the spreadsheet and an explanation of the impact given in the commentary.

Mrs Searle advised that any adjustments required to the annual works plan in response to the condition survey would be reworked within the existing budget and any significant issues reported back to the committee.

Mr Belfour confirmed that the committee was assured that all inputs on the spreadsheet tied in with the annual accounts for year ended 31<sup>st</sup> July 2021 and the management accounts for the year to date and reconcile with the bank accounts. Mrs Searle also confirmed this to be the case.

**The CFFR and finalised commentary with assumptions as presented to this committee to be proposed to the full governing body on 5<sup>th</sup> July 2022 for approval for signing by Mr Thompson, the Accounting Officer and filing with ESFA by 31<sup>st</sup> July 2022. .**

11.3.2. **College Budget for 2022 – 2023:** Noted to be incorporated in the CFFR.

11.3.3. **Recommendations from the Remuneration Committee:** Mr Belfour confirmed that they had received feedback from the Chair of the Remuneration committee which had met on 13<sup>th</sup> June 2022. He advised that the recommendation for salary increases for the two Senior Post Holders were within the resources allocated in the staffing budgets.

**ACTION: Mr Belfour to confirm that the proposals are affordable to the meeting of the governing body on 5<sup>th</sup> July 2022.**

- 11.3.4. **Funding update:** Mr Thompson confirmed there was no update since the increase in per capita amount had been advised previously.
- 11.3.5. **Staff cost of living pay awards:** Mr Thompson advised that SFCA negotiations with the staff sides were underway and an outcome was awaited. He and Mr Graham were currently attending the annual SFCA Conference where a discussion of the affordability of salary increases was on the agenda which would inform discussions with the trade unions.
- 11.4. **Treasury Management:** Mrs Searle
- 11.4.1. **Monitoring report:** Mrs Searle introduced the monitoring report which had been included in the papers for the meeting. She confirmed that, as agreed, the fixed term deposit of £700k had been transferred to the current account with Barclays to remain there until the outcome of the bid for T level bid and the subsequent college financial contribution was known. The deposit with Scottish Widows was in an instant withdrawal account. Mrs Searle had provided information from Barclays “Liquidity Deck” in the papers for the meeting which she introduced as an outline of the product suite offered by Barclays. She highlighted, for the committee’s consideration, that the offer included a “green deposit” set out in the “deck” with a description of its features, benefits, notice and rates which might align with the college sustainability agenda.  
**It was agreed to review deposit options at the next meeting of the committee in September when the outcome of the bid was known and the amount available for investments could be better assessed.**
- 11.4.2. **Policy review:** The updated Treasury Management Policy for 2022 – 2023 had been included in the papers for the meeting for annual routine review. Mr Belfourd introduced the policy noting that there were no changes other than to update job titles.  
**The Treasury Management Policy, 2022 - 2023 was agreed for recommendation to the full governing body for approval on 5<sup>th</sup> July 2022.**
- 11.5. **College Financial Regulations & Associated Policies:** Mrs Searle outlined the summary of changes to the regulations and the travel & subsistence policy which had been included in the papers for the meeting along with the updated financial regulations. The changes were noted as minor, mainly streamlining of systems and procedures that would update the financial regulations and come into effect from 1<sup>st</sup> August 2022. Changes to the subsistence rates were noted and Mr Belfourd observed that mileage rates remained linked to HMRC guide and had not been revised.  
**The updated College Financial Regulations and Associated Travel & Subsistence Policy would be recommended to the full governing body on 5<sup>th</sup> July 2022 for ratification to take effect on 1<sup>st</sup> August 2022.**
- 11.6. **Banking:** Mrs Searle confirmed that all accounts at the Allied Irish Bank (AIB) were now closed and the transfer to a current account with Barclays was complete and operating satisfactorily. Mrs Searle commented that the service from Barclays was much better with the benefit of a responsive Relationship Manager and user friendly day to day account management.
- 11.7. **Rateable Value:** Mrs Searle advised that nothing more had been heard and she did not expect any further updates. It was agreed that this item could be taken off the agenda.

11.8. **FMCE Improvement Plan:** The rag rated report showing progress against the improvement targets in the FMCE, which had been included in the papers for the meeting and reviewed by the Audit Committee on 17<sup>th</sup> May 2022, was noted to be progressing towards completion.

**12. 2022 - 2023:**

12.1. **Schedule of Meetings and Business:** The draft included in the papers for the meeting was accepted. Committee meetings would continue to be held online using remote conference facilities.

12.2. **Membership:** Mr Belfour announced the resignation of Mrs Taylor as a foundation governor in May and the retirement of Ms Clark as a staff governor at the end of the current academic year. He extended thanks to Ms Clark for her service on the committee and as a governor.

13. **Committee Review of effectiveness, membership and skills:** An online questionnaire would be circulated for completion after the meeting.

14. **Risk:** the committee considered whether any new or heightened risks had been identified that should be advised to the Audit Committee for the risk register and agreed that they were covered. The current risk register had been included in the papers for the meeting.

15. **Any other business:** There was none.

16. **Date of next meeting:** Tuesday 20<sup>th</sup> September 2022, 5.30pm

**The meeting closed at 7.10pm.**

**SIGNED:** \_\_\_\_\_

**DATE:** \_\_\_\_\_