

Brooklands College

Minutes of the Resources Committee
co-ordinated remotely via 'Zoom' meeting platform software
across various domestic locations, commencing 17.00 hrs on 28 June 2021.

| | | |
|--------------------|--|---|
| Present: | Fred Gray Andrew Baird Melanie Harding | Chair Chair of Governors Independent Governor |
| <i>Ex Officio:</i> | Christine Ricketts | Principal |
| Observer: | Hilary Omissi | Independent Governor |
| In Attendance: | Dr Stephen Dowbiggin OBE Sarah Glasspool John Brady Lee Holloway Jonathan Lipscomb | CEO Director of Finance and HR Estates Manager Health & safety Officer (Items 1-11) Clerk to the Governing Body |

PART 1

1. Action in the event of fire

Action to be taken in the event of fire was left to the individual.

2. Welcome and apologies

The Chair of Governors had been delayed by a previous meeting and would join the meeting when possible. The meeting was confirmed as quorate.

3. Declarations of Interest

- i. Andrew Baird declared his other relevant positions as Chair of South Orbital Colleges and as Chair of the East Surrey Conservative Association.
- ii. Dr Stephen Dowbiggin OBE declared his position as Chair and Senior Ambassador of the Sainsbury's T-Level Committee.
- iii. Melanie Harding declared that she is a Project Director with the DfE.
- iv. No other declarations of interest were made.

4. Notification of Any Other Business

The Chair had not been notified of any other business.

5. Draft Minutes of the Resources Committee Meeting (Part 1) on 11 November 2020

The minutes were confirmed as a correct record and will be signed by the Chair when circumstances permit.

6. Matters Arising and Action points from the Minutes of the Committee Meeting (Part 1) on 3 March 2021.

There were no matters arising from the minutes.

7. Accounts and Annual Reports for 2018/19 and 2019/20 [RES 20-21-15]

The College had been ready to bring this item to the Committee for scrutiny but the matter has had to be deferred as input is required from the ESFA. The accounts are currently with the College's External Auditors, pending an opinion on 'going concern' which in turn is dependent on the details of any loan agreement with the ESFA.

At this time therefore, the College is unable to progress the matter further and the item has been deferred to the Full Governing Body meeting on 19 July.

8. Report of the Principal [RES 20/21-16]

The Principal drew Members' attention to three specific elements from within the report – the '**Youth Hub**' and the current level of **applications** to the College and **business planning**.

Noted:

- i. The report contains a detailed update on the '**Youth Hub**' initiative, previously reported on to Governors, which is progressing well.
- ii. The Youth Hub is a service for 18-24-year olds in receipt of universal credit and living in either Runnymede or Elmbridge, who are unemployed, facing redundancy or struggling with paid employment. The College will provide the wraparound support for those young people to progress, supporting them through any personal difficulties and putting them into education, training or employment.
- iii. The College is leading, along with Elmbridge and Runnymede Councils and the Youth Hub will be based on the College campus.
- iv. The College is due to receive around £80K of funding from the DWP part of which will be to fund two new posts – the Youth hub Co-ordinator and the Youth Hub employment worker.
- v. There is a very specific target to engage with 150 people in first year. Although designed for 18-24-year olds, it is expected that 16-18-year olds will also want to access the Hub and they will not be turned away.
- vi. This initiative will place the College at the heart of Runnymede and Elmbridge and enhance our local reputation. The College will be the main contact for the DWP locally and the Job Centres and so should extend the College's partnership work.
- vii. Members were pleased that the Hub was to be based at the College (alternatives having been local community centres and church halls). The Principal had lobbied for this to be the case as the College is a more positive environment for patrons.
- viii. There is a weekly review of College performance in terms of **Applications** and funding against target. Details had been given in the report but the Principal was able to furnish Members with a further update.
- ix. Currently the College is in receipt of 1,334 applications from 16-18-year olds, up from 1,151 at the same time the previous year (an increase of 15%). To date, 769 progressing students have already enrolled on courses for 2021/22. This is a step forward as with the new MIS system it is now

possible to enrol students for the forthcoming academic year during the current academic year rather than having to wait until August. This is part of an overall improvement in the understanding of the College's data.

- x. **Business Planning.** Every Director of Curriculum, supported by the Assistant Principals, has met with the MIS Consultant to plan the curriculum for the forthcoming year. Based on application data and that plan for growth during the forthcoming academic year (as part of the Estates Planning) the College is on target. However, the Curriculum Directors need to work hard to retain students on those programmes as it is only after 42 days that the data counts in terms of funding. Activities are planned for the Autumn Term to support managers in achieving retention of students in their area or their transfer to another area within the College.
- xi. Adult provision is fully planned to meet target but predicted applications must be realised in order to meet those targets. Robust business planning is in place for the coming year. It is more detailed than previously and better informed by real-time application data. Furthermore, it is dovetailed to the growth plans that form part of the estate's strategy.
- xii. Members congratulated the Principal on her excellent progress.

9. Report of the Director of Finance & HR [RES 20/21-17]

9.1 Annual Review of the Financial regulations

- i. The current Financial Regulations have been updated for the forthcoming year and the Director of Finance and HR sought the Committee's recommendation that they be approved by the Full Governing Body at their meeting on 19 July.
- ii. The principal amendments to those Regulations covered:
 - a) Roles and responsibilities being updated in line with anticipated changes to the College's management structure for the forthcoming academic year;
 - b) Reference to EU procurement regulations which had been amended to reflect the new reality; and
 - c) The College's regulations in respect of Gifts and Hospitality being updated.
- iii. Members noted that the former reference to asset lives had been deleted and the Director of Finance and HR alluded to the revised policy on Valuing Fixed Assets (to be discussed) on which any reference in the regulations would depend.
- iv. It was noted that paragraph 21.9 contained very precise limits (denominated in Sterling) for European contracts. These figures had been established previously (converted from Euros) and are due to be updated in January 2022.

9.2 Bank Covenant Update

- i. Barclays have sent the College a revised 'Reservation of Rights' letter in respect of the 2019/20 accounts. This was based on the draft accounts submitted to Barclays which show that the College has breached both its covenants with the bank during that year.
- ii. The Committee Chair considered that the issuing of such a letter was standard practice and that it nonetheless appeared even-handed which was a positive for the College.

9.3 Human Resources update

- i. The report covered the return to work of staff, activities promoting their well-being and the results of a staff engagement survey completed between February and April 2021 (and showing a consistent increase in satisfaction since October 2020). Also covered, were the management restructure and the embedding of College values into Job Descriptions.
- ii. Members commented that the results of the survey were encouraging with staff engagement improving all the time.
- iii. Asked about two members of staff remaining on long-term sickness status, the Principal confirmed that those concerned; one a Manager and one a Team Leader, had returned to work and are being supported in this.

9.4 May 2021 Management Accounts

- i. These had not changed greatly since April with a forecast deficit of about 330K (c£200K more than was planned). The College does however expect to remain cash positive aside from exceptional items such as the Estates Development and Ashford's Hair and Beauty salon.
- ii. The Director of Finance and HR believed the forecast to be realistic. Asked if there were any vulnerabilities then she admitted to having been nervous initially about the £650K figure for AEB (affected by the ESFA's reduced commitment where COVID has hindered AEB recruitment and achievement) but there had been positive news that day that this is increasingly within scope if sufficient 'achievements' are registered with the ESFA.
- iii. In summary, the College is forecasting a deficit and expects staff costs to be 68% rather than the planned 65%. It is, however, cash positive not considering exceptional items.
- iv. If the current position does not deteriorate then the College will have fulfilled one of the FEC's stipulations, to have moved to being cash-neutral within 12 months.
- v. This is very significant in the current climate.

9.5 Revised Policy for Valuing Fixed Assets.

- i. The Committee was being asked to consider a revised policy for revaluing land and buildings, first discussed at the previous Resources Committee meeting with a view to recommending approval by the Full Governing Body. In discussion with the External Auditors, the new policy would be based on remaining useful lives rather than whole lives. The College has used a professional valuer for 2018/19 and 2019/20, but from 2020/21 will use its own expertise, building on that base, with a formal revaluation only every 3 or 5 years. The impact of the change is to lift the College's nett assets for 2020 from £4M to £20M.

Agreed:

- ii. The revised Policy for Valuing Fixed Assets was recommended for approval by the Full Governing Body.

10. Draft 2021/22 Budget [RES 20-21-18]

10.1 Income and Expenditure 2021/22

- i. The draft budget is only for 2021/22 – further years will be presented to the Full Governing Body.
- ii. The draft budget as presented is based on a mix of allocations e.g. 16-19 study programme allocations supported by detailed curriculum planning. Projected income of £12M is up from

£11.3M forecast for this year. The most significant difference is in anticipating that AEB will move from £650K to £949K and thus be close to its allocation.

- iii. This is supported by Curriculum Managers' business planning building, on an increase in AEB of 50% direct provision during the current year and the CEO expressed his confidence in the target. SLT have been convinced by the Curriculum Managers that their targets are achievable and, in an environment, characterised by increased understanding and accountability, it has been made clear to them that they will be expected to meet those targets. Both the HR and Finance teams have been involved in the process, which is partly why a reduction in staffing headcount has been possible and managers now have a much better understanding of the value of each student to the College's viability.
- iv. The College anticipates an increase in other income such as that from the Salon and Restaurant matched by an increase in staff costs in those areas though by 65% of income rather than the 68% forecast for next year. Non-pay costs in those areas have also increased but savings have been made on campus operations where it has been possible to renegotiate contracts to save on cleaning and electricity during the pandemic.
- v. Projected non-pay costs had been arrived at in discussion with support areas.
- vi. Overall, the College is projecting a small surplus of £93K and the Committee Chair noted that this was a significant improvement on the forecast for the current year of a £330K deficit.

10.2 Cashflow Plan and Financial Ratios

- vii. The low point in the cycle will be in March 2022. The cashflow incorporates the College's portion of the Estates Development costs (to be covered more thoroughly in Pt 2.)

10.3 Capital Expenditure Budget 2021/22

- viii. The Capital Expenditure budget is set at £1.4M, of which £358K is for the refurbishment of the Locke King building for which the College has already received funding from the ESFA. £877K will come from the sale of land (see Part 2 papers) and a further £175K from in-year College funds.

10.4 Contribution targets 2021/22

- ix. This is based on the Curriculum Business Plan with the final column showing the anticipated departmental contribution.
- x. The contribution of SEND was given as only 4% and the Committee Chair asked if it was in fact appropriate to represent SEND in the same way as the other departments. The Principal responded that 4% was not accurate and that the figure was now expected to be around 50%.
- xi. Budgets for two further years will be presented to the Full Governing Body on 19 July and if approved will be forwarded by way of a College Financial Forecasting Return (CFFR), to the ESFA by their deadline of 31 July.
- xii. The Director of Finance and HR assessed the 'Financial Health' of the College as 'good' under both the old method of assessment and the ESFA's proposed new method.
- xiii. The Committee Chair expressed members' confidence that the College's finances were on an upward trajectory and the CEO reminded members that a five-year plan had been agreed in May.
- xiv. The CEO further noted that it had been made clear at a recent staff meeting and accepted, that the performance of the individual curriculum areas in terms of recruitment will be examined in

September and that the resources of weaker elements will be redistributed in favour of growth areas.

11. Director of Estates and Facilities Report [RES 20/21-19]

Noted:

- i. The Director of Estates and Facilities reported that there had been some technical problems with the Estates Helpdesk system and that therefore the figures reported may be slightly inaccurate. He assured members however that his team were progressing all maintenance tasks (both proactive and reactive) allocated to date. Customarily, a large number of requests are made known at the end of August but the team are thinking ahead in an effort to pre-empt that.
- ii. In the **Locke-King building** the team has refurbished the second floor to provide six classrooms, new offices and a conference room which is now air-conditioned and will give us a professional look and feel when the public begin to access the 'Hub'. The building now has supplementary CCTV to assist with the overall coverage of the campus for safeguarding purposes.
- iii. The **car park** has been let out to the BBC, Sky, Netflix and Channel 4 who will be making use of it again in August. Each month's rent generates £20K and so an effort is being made to let it for July as well. This is at virtually no cost as it is space that is otherwise not used.
- iv. **Catering** has been taken back in-house for which much credit must go to the Catering Manager. Previously, the contractor 'Aramark' claimed to be taking only £70 per day but this is now between £400 and £500 per day.
- v. The **cleaning** contract up is up for renewal in 2022 and the current contractor is very happy to keep working with us and to adjust to our requirements as and when buildings are closed for refurbishment, without any penalty.
- vi. The **telecoms** contract will be the next to be tested. A contact of 'Fusion' will carry out an independent review to see if we are getting value for money with the current contract. The advent of 5G may give us the ability to negotiate better value.
- vii. The **edible garden** which had been established at Weybridge had proved a revelation and had been recognised in the College awards.
- viii. The Principal noted that the Weybridge Town Group had donated to the edible garden project which had proved to be a real asset in terms of the College's community development. Furthermore, catering students are learning how to grow vegetables and herbs. Provision for this facility will be worked into the planning of the new campus.
- ix. The Facilities Team won **the team award** as it had been seen by the whole College to have continued working albeit within safety guidelines throughout the recent pandemic, to maintain the fabric of the campus.

Health and Safety Officer's report

- x. In respect of COVID-19, there had been in April, a massive College-wide effort to overcome the challenges associated with mass testing. This had involved the Estates Manager and the other members of the SLT, together with external stakeholders recruited by the Human Resources team. Volunteers had been put through NHS online training. The number of tests achieved in the first two weeks was phenomenal.

- xi. The country is now at a point where it is hoped that COVID is dying down, notwithstanding the slippage from the original 'Freedom Day'. Events that had been planned for, between that date and the new 19 July target were subject to contingency plans in case of such a development. Each planned event had been reviewed in the context of each event, to decide if they were permitted and if so whether they were practical.
- xii. The best example of a successful recent event was the Public Services passing-out parade which was able to go ahead in front of segmented sections of thirty visitors, carefully marshalled to their positions in different time-slots. The spirit of the occasion was excellent and it had been the highlight of the Health & Safety Officer's year.
- xiii. The College maintains a watching brief for any further updates from the Government but it is hoped that by September it will be 'business as usual'.
- xiv. First Aid – technology had been employed by Logixx to implement an electronic dialling system to connect all the freshly trained first aiders. In the event of an incident, they are all contacted simultaneously and the first to answer is directed to respond. Posters around the College encourage students and others, in a non-emergency case, to seek out the nearest first-aider. This should help to spread the load whilst at the same time highlighting the importance of first aid.
- xv. Work has gone into refreshing disaster support plans and on-call manager systems, to reflect changes in College systems and personnel. Table top rehearsal events are planned for October.
- xvi. A new activity event form has been introduced to give the College better visibility and centralised control over *ad hoc* events being organised by Curriculum and support teams. This helps to give Health and Safety visibility. The Estates Team is able to contribute at the planning stage and the Marketing Team is also able to co-ordinate events across the College, for better promotion and the avoidance of calendar clashes.
- xvii. The 'DSE' part of the 'WHADAC' form has been simplified and this has been approved by the Health and Safety Committee.
- xviii. On-call manager protocols have been revised and supplemented, including newly envisaged scenarios. Where there had been the potential for inconsistency, ambiguities had been removed.
- xix. The Committee Chair agreed that the document was now of more use to those impacted by it and working with it.

[Andrew Baird joined the meeting at 18.06]

12. Report of the CEO [RES 20/21-20]

The CEO explained that the majority of his report was for Part 2.

Noted:

- i. The College has yet to hear if it is to receive Transformation Funds but news is expected soon. The College is believed to have progressed beyond Stage 1 and generally, those who do so have a reasonable chance of progressing beyond Stage 2.
- ii. On remuneration of Chairs, the CEO was now taking advice from another College who had been in a similar position and was making progress.

- iii. The Search and Governance Committee will in due course review all the Committee Terms of Reference but as this will take some time, the CEO had taken the opportunity to review the Resources document in the interim.
- iv. He had sought to tidy up confusion over the management of risk. He proposed the removal of Clause 9 as it is clear from the College's published risk strategy that it is the Full Governing Body and not the Resources Committee which receives the Risk Register and Heat Map.
- v. It was further proposed that Clause 11 be taken out as current guidance is that there should be a clear division between the activities of the Resources and Audit Committees and that therefore it is inappropriate to hold a joint meeting between the two. In the case of the annual accounts, the Audit Committee should review the annual report and the Resources Committee the figures, reporting separately to the Full Governing Body to inform their decision-making.
- vi. It had been thought previously that the Committee could amend the Financial Regulations and report this to the Full Governing Body but this had not been made explicit in the Terms of reference and now is.
- vii. These amendments were accepted but in addition, the Committee Chair requested that Clause 2 be expanded to make specific reference to the monitoring of cash, in addition to capital budgets and management accounts.

Agreed:

- i. That subject to a wording relating to the oversight of cash, the changes to the Committee's Terms of Reference were approved.

13. Any Other Business

There being no other business, Part 1 of the meeting was closed at 18.13.

14. Date of Next Meeting

To be confirmed at the meeting of the Full Governing Body on 19 July 2021.

Fred Gray
Chair of Resources Committee

Jonathan Lipscomb
Clerk to the Governing Body