

Meeting of the Finance and Resources Committee

MINUTES

The meeting was preceded by a joint meeting with the Audit and Risk Committee to consider the external auditors' report and the draft Annual Report and Financial Statements. A separate set of minutes was taken of this meeting.

Date	Wednesday 4 December 2024
Time	18:45 to 19:45
Location	Via MS Teams
Present (Governors):	Meyrick Vevers (Committee Chair) Maureen McDermott (Staff Governor) Rebecca Page-Tickell Christine Ricketts (Principal and Chief Executive) Paul Stedman
In attendance	Allan Tyrer (Chief Operating Officer) Nolan Smith (Estates Project Manager, Fusion) – item 5 Melissa Drayson (Director of Governance)
Observer	None
Apologies for absence	Jesse Adekoya Professor Craig Mahoney
Quorum (3)	The meeting was quorate throughout

Item	Action lead
1. Preliminary items	
1.1 Welcome and apologies for absence	
Rebecca Page-Tickell was welcomed to her first committee meeting as a new governor. Paul Stedman was thanked for acting as interim Chair between April and October 2024.	
Apologies were noted from Jesse Adekoya. The Committee congratulated Jesse on the birth of his daughter.	
1.2 Declarations of interest	

There were no new declarations of interests relating to matters on the agenda. Previously declared interests were carried forward.

1.3 Urgent other business

No items of urgent other business had been notified in advance.

2. Minutes

2.1 RESOLVED: That the Finance and Resources Committee minutes of 18 September 2024 be APPROVED as an accurate record. The confidential sections were confirmed and would be removed from the published version.

2.2 Matters arising

Supporting paper by the Director of Governance

The Committee noted actions that had been completed, those on the agenda and those not yet due for report, and received an update that the Capital Projects cashflow would be brought to the Corporation and would be reported to each Finance and Resources Committee thereafter.

3. Finance

3.1 Monthly Management Accounts, Forecast and Cashflow report – October 2024

This was the first full set of management accounts for the year. Key headlines were:

- Income was on track for most streams. A provision had been made in the budget for T Level clawback and this had been reduced by over a half due to higher-than-anticipated recruitment. Adult recruitment was stronger than predicted, apprenticeship numbers were on track and there was confidence that the High Needs Element funding target would be met. Higher Education recruitment was below target.
- News was awaited whether the government would cover the National Insurance increase, as this had not been budgeted for.
- Pay costs were £300k below target, primarily as agency costs had been significantly reduced. Agency staff were now only in place to cover sick leave with other arrangements for staff vacancies, including fixed term staff and direct recruitment.
- Non-pay costs were on track.
- There was confidence that the budget and year-end position would be achieved.

The Committee noted the non-project capital expenditure report, relating to capital grants that had been awarded but not spent. These would primarily be used for IT upgrades, new flooring in the Construction building, and specialist equipment. In response to a question regarding depreciation of capital items, the COO confirmed that depreciation on capital items was offset in the accounts by capital grants release.

AGREED: That the management accounts be received.

3.2 Staff pay

Supporting paper presented by the Chief Operating Officer

The Committee noted that the approved budget had included 2% for an annual pay award. It was confirmed that this was still affordable although the figure would now be greater to accommodate the uplift for staff on national minimum wage.

The background was that school teachers (but not support staff) had received a government-funded pay award of 5.5%. The Association of Colleges had subsequently recommended 2.5%. This would push pay costs beyond the budget. The increase in National Insurance was a further risk until formal confirmation was received that this would be funded. Anecdotally, it was understood that many other Colleges were opting to pay 2%.

The recommendation was, therefore, to pay 2% in January backdated to August and to review the position again in the Spring when the budget was more solid.

Governors asked about staff expectations and the potential impact on recruitment and retention. Managers responded that, in the areas of greatest challenge, individual salaries were set to reflect market conditions. A retention allowance was offered for STEM subjects.

AGREED: That the outcomes of a review of all lower band support staff salaries would be reported at the next meeting. **COO**

RESOLVED: That it be recommended to the Corporation that a 2% pay award be made in January, backdated to August 2024, and that the position be reviewed in the Spring when there is greater certainty about the budget being met.

3.3 Termly procurement assurance report

Supporting paper by the Chief Operating Officer

Governors were reminded that the termly report had been introduced to provide full visibility of all procurement with a value over £30k. During the time period covered there had been several large contracts and tenders, relating both to the estate redevelopment and renewal of utilities. Correct procurement procedures had been followed in each case

The report was noted.

4. Estates Redevelopment Progress Report

Supporting paper by Nolan Smith Fusion

The relationship with Cala Homes continued to be very positive. All current elements of Phase 1 were proceeding well.

- The completion of the Edge had been slightly delayed because of the presence of bats in the roof space. A four-week extension had been agreed with the contractors at no cost effect to allow remedial roof works to be completed.
- Some additional asbestos had been found in the Tower. Costs were approximately £20k above budget but the work was running to time

and was due to complete by the end of August. In response to questions it was confirmed that a solution had been found for the roof refurbishment.

- The Barnes Wallis refurbishment was more complicated as it included a technical fit-out for the vocational areas that would be housed there.

Phase 2 would commence in the Spring. The main impact of this would be the clearance of the Locke King link and Concorde buildings in preparation for demolition. Governors asked how this would affect students. Management responded that assessment schedules had been brought forward. There might be a slight gap before these courses were able to move into new facilities in Barnes Wallis.

The other key priority would be to fix the price for the new Vickers building as there was a risk of inflation.

Fusion was thanked for a comprehensive update.

5. Policies

5.1 Debtor Policy

The Committee considered proposed wording setting out the College's policy for handling debt. Once approved, this would be included in the Financial Regulations:

Debtors will be chased and referred to a debt collection agency where thought appropriate. Debt will remain as collectable for 12 months. If, at the end of 12 months, there is no movement on collection, a provision for bad debts will be made against that debt. The debt will continue to be chased. At the end of a further 12 months the debt will be written off.

RESOLVED: That the proposed Debtor Policy wording be recommended to the Corporation FOR APPROVAL.

5.2 Staff Disciplinary Policy

The policy required Corporation approval under the Instrument and Articles of Government. Only minor changes had been made. It was noted that the Policy had undergone staff consultation and final approval would be subject to any feedback received.

RESOLVED: that, pending any feedback from staff consultation, the Staff Disciplinary Policy be recommended to the Corporation FOR APPROVAL

6. Finance and Resources risk assurance report *Supporting paper presented by the Director of Governance*

The Committee considered the revised risks that fall within its remit had been covered through its business that term. It was noted that the post-mitigation scores for financial risk had reduced.

7. Other urgent business

There was none

18. Date of next meeting

Wednesday 5 March 2025

The minutes were approved by the Finance and Resources Committee at its meeting on 5 March 2025.