

**Minutes of Finance & Resources Committee
Meeting**

**Held on Monday 10 June 2024 at 17:30
via Microsoft Teams**

In attendance: Tony King (Chair), Michelle Dowse (Principal), David Ash, Adam Hall, Donna Gibson (Clerk), Cherie Clements, Nicki Williams. Matt Beck for Item 3.16b, Julia Breakwell for Item 3.12

| No. | Item | Action |
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| 3.1 | Welcome & Apologies Apologues were received from James Hancher. | |
| 3.2 | Declarations of Interest There were no declarations of interest. | |
| 3.3 | Minutes of the Previous Meeting Were agreed subject to some very minor typos that the Chair would send to the Clerk. | |
| 3.16b | <p>The agenda was taken out of sequence so that the next two items could be dealt with.</p> <p>AI Centre of Excellence The committee received a presentation from Matt Beck about the AI Centre of Excellence Project, a project funded with Innovate UK and noted:</p> <ul style="list-style-type: none"> Delivering the project is good for the reputation of the college. Our own staff and students will benefit from the project. The focus will mainly be in the north of the county. The resources can be shared widely including nationally. The focus and aims of the project are achievable. <p><i>A governor asked how do we monetize the project if it is cost neutral to us? They were advised that the investment and connections will keep us going forward, whilst no money is being made in project there are benefits. The costs for MB are funded from the project and are a direct financial benefit. If the project is successful there will be opportunities for investment. At the same time, the reputational benefits will increase.</i></p> <p><i>A governor questioned if we foresee a merging of the project with the BLC? They were advised that there are crossovers and the materials from the project will be reused and badged as BLC resources, however the two things will remain separate.</i></p> <p><i>A governor asked for clarification about how long the funding is now and what is beyond now? Do we have access to any consortium attached to the project? They were advised that the funding is for 12 months, and we do have access to the consortium. For the benefit of the committee, it was clarified that the College West Midlands are the consortium.</i></p> <p><i>A governor asked if we may need to create a steering group to progress this forward and consider the alignment with our own strategies? It was agreed that at this stage a group is not needed, but it is a good idea that can be reconsidered once we have addressed the business need and as we start to think long term.</i></p> <p>The committee were assured that a report would be prepared for Corporation about the project and what may follow.</p> | |

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| | <p>All agreed that the project sounded like it had a lot of potential, noting that it was exciting and also very important with regards to our reputation.</p> <p><i>A governor observed that most of the strategic themes are accounted for but questioned about sustainability (Planet). It was noted that it is hard to attribute AI within Planet</i></p> | |
| 3.12 | <p>Health & Safety Report – Term 2 The Committee received an update on the report and noted:</p> <ul style="list-style-type: none"> The updated completion rate for the mandatory training is now at 96.33% <p><i>A governor questioned where the internal H&S audits for departments go? They were advised that they are received at the Health & Safety Committee. Each area has a report and an action plan which is monitored.</i></p> <p><i>Governors were reassured that the H&S Committee monitors these and that the committee meetings are monitored.</i></p> <p><i>A governor questioned the lock down drills and requested more information. They were advised that these are being reviewed considering the new guidance. The process will be tested out at Bromsgrove campus and will be reported in the H&S termly update which is received by the committee.</i></p> <p><i>A governor asked if the other sites would have a test? They were advised that they would, but Bromsgrove has no SEND students, and it makes sense to do the drill there and iron out any issues or risks before rolling out further.</i></p> <p><i>A governor reiterated that a member of SLT must be on site when the test is carried out.</i></p> | |
| 3.4 | <p>Matters Arising Three of the actions had been completed and one was an agenda item (Osprey House)</p> | |
| 3.5 | <p>Determination of Any Other Business Osprey House The committee received an update on the sale of Osprey House.</p> | |
| 3.6 | <p>Financial KPIs, including funding. The committee received the KPIs and noted:</p> <ul style="list-style-type: none"> The forecast deficit is £904k and lower than the budget at £294k deficit. Income has increased by £2.7m because of an increased allocation from the ESFA. Capital grant income has increased by £199k to reflect the spending for the DfE Transformation and Reclassification Projects The breach threat has been removed. The increase in pay costs includes the NMW and increased salaries. Non pay costs are expected to be higher partly due to agency costs of £370k. A positive meeting had taken place with Santander. Financial health is good. <p><i>A governor challenged the higher non pay costs and if anything, unexpected is in there? In response they were advised that there were £40k of HR costs which had not been budgeted for. Management was asked what those costs were and were advised they related to costs incurred during 22/23.</i></p> <p><i>A governor questioned the FEC benchmarks and whether anything out of the ordinary as in there? They were advised that there is nothing out of the ordinary and management are confident with regards to our position.</i></p> <p><i>A governor challenged the big swings on Income YTD that go over and under, was there an issue to be addressed? They were assured that this is partly linked to the timely issue of invoicing, which has been addressed. Management remains confident with our position.</i></p> <p>For 2024/2025 more narrative will be provided to accompany the charts and graphs.</p> | |

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| | Overall, the committee agreed that situation was positive. | |
| 3.7 | Learner Numbers Update The committee received the learner number and noted that at this time of year there will be very little movement. | |
| 3.8 | Revenue Budget 24/25 including Bank Loan & Covenant Update The committee considered the budget and noted: <ul style="list-style-type: none"> The deficit of £639k and its impact on financial health The cashflow and balance sheet comparisons were helpful, and the committee noted the narrative that accompanied them. Overall, the committee were pleased with the headlines and assumptions. <p><i>A governor questioned ESFA funding for English and maths, is the methodology likely to change and will there be an impact? They were advised that the election outcome may impact on changes, this could be problematic for us going forward. Politically it is recognised that mistakes have been made and whichever party is elected will have their own views on how to deal with it.</i></p> <p><i>A governor asked in light of protecting public money are deficit budgets permitted? They were advised that if the FEC benchmarks go red the FEC will intervene.</i></p> <p>The committee recommended the revenue budget be presented to Corporation for approval.</p> | Clerk |
| 3.9 | Capital Budget 24/25 The committee noted the capital budget and the breakdown of the expenditure. The committee were advised that all requests received had been met. <i>A governor asked if there was any impact on estates? They were advised that there is no impact, items are moveable items and the BMS is a central requirement.</i> <i>A governor questioned if software licenses are included? They were advised that they are included in the revenue budget.</i> The committee recommended the capital budget be presented to Corporation for approval. | Clerk |
| 3.10 | ESFA Financial Submission 23/24 24/25 – 3 year financial plan The committee considered the 3 year plan and noted: <ul style="list-style-type: none"> The requirement to submit the CFFR by 31 July 2024 The financial health grade of good up to 2025/2026 The £1.22m deficit position in 2025/26 meant that Santander loan covenant would not be met, at 1.16 compared to a requirement of 1.5. The deficit would need to reduce by a minimum of £86k in order for this to be met. Given the recent announcement of a general election making assumptions on funding for 2025/26 are increasingly more difficult, future direction around funding policy will become clearer after July 2024. The forecast excludes any improvement in financials from the disposal of Osprey House <p>The committee acknowledged that the position was looking better than expected and expressed thanks to the Vice Principal Finance & Resources for the work undertaken.</p> | Principal/ VPF&R |
| 3.11 | College Financial Handbook The Committee noted that the handbook has been published and comes into force on 1 August 2024 and will be picked up in more detail by Audit Committee. | |
| 3.12 | Health & Safety Report Term 2 The item was taken at the start of the meeting. | |
| 3.13 | CEFSS Action Plan – Update The committee noted the progress of the action plan, noting that the spreadsheet is difficult to follow. | |

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| | The committee also noted the feedback from the FEC Team that the college had areas of strength. | |
| 3.14 | <p>College Estates Strategy Update</p> <p>The committee noted that the strategy day had covered estates.</p> <p>The action plan was taken as read.</p> <p>Some governors will be joining a call on 2 July ahead of a presentation to full board at July Corporation.</p> <p><i>A governor asked for clarification of the 98% utilisation.</i> They were advised that it is 98% of the 850 contact hours and assumes that 98% of time is spent in front of the class.</p> | |
| 3.15 | <p>Subcontracting Partners 24/25</p> <p>The committee noted the report and noted that there is one new partner – National Star Foundation, and that the majority are partners we have had long term relations with.</p> <p><i>A governor questioned if any partners have left?</i> They were advised that none have left. The DfE are happy with our level of subcontractors. With the addition of two new Vice Principals and Peter R taking on the area the committee can be assured that significant triangulation will be in place.</p> <p><i>A governor questioned what do the partners cover?</i> They were advised business, warehousing and estate agency.</p> <p>The committee recommended the subcontracted partners be presented to Corporation for approval.</p> | Clerk |
| 3.16 | <p>Collaborative Projects and Bids – Verbal Update</p> <p>a) National Star Update</p> <p>The committee received an update on progress with National Star, following a positive meeting that had covered funding, number of potential students, provision dates and when contracts could be expected to be signed.</p> <p>It was noted that there would be some governor interaction between the two parties once the agreements have been signed.</p> <p><i>A governor asked who else is in St Wulstans?</i> They were advised some Estates staff the WLEP and also the Smart Living Tech Enabled Flats.</p> <p>b) AI Centre of Excellence</p> <p>The item was taken at the start of the meeting.</p> | |
| 3.17 | <p>Staff Survey – Actions Update</p> <p>The committee monitored the progress to date and noted:</p> <ul style="list-style-type: none"> • Response to the staff survey has improved with participation from staff up to 80% • Responses to workload were positive and encouraging. • More work is to be done in 2024/25 around wellbeing. • Further feedback would be received at July Corporation | |
| 3.18 | <p>KPIs - Place, Planet, People</p> <p>The committee noted the May KPIs and that:</p> <ul style="list-style-type: none"> • Industrial updating is not measured in a way that allows comparable reporting. • Staff retention has dropped from 89% to 87% • Most staff leave at the end of a term. • In line with the sector staff retention is expected to drop further <p>The committee will continue to monitor the KPIs and will look for trends and patterns as the reporting progresses.</p> | |
| 3.19 | <p>HR Report 2022/23</p> <p>The report was noted. The committee felt that it contained a lot of information and needs to be shorter going forward.</p> <p>The AoC data is useful, and the committee would still like to see that for their own</p> | |

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| | assurance when it is available. <i>A governor observed that we are not spending all of the apprenticeship levy. In response they were advised that is correct and that going forward we would be reviewing this and looking at ways to be more creative.</i> | |
| 3.20 | Policies Redundancy Policy – the statutory amendments were noted. College Fees Policy – to be recommended to Corporation for approval. Subcontracting & Partnership Policy – to be recommended to Corporation for approval Data Protection/GDPR – to be recommended to Corporation for approval once the revisions have been made. Anti Bribery Policy – to be recommended to Corporation for approval and will move to Audit Committee from 24/25 Fraud Policy & Checklist – to be recommended to Corporation for approval and will move to Audit Committee from 24/25 | Clerk Clerk Clerk Clerk |
| 3.21 | Appointment of Vice Chair for 24/25 The item was deferred and will be revisited under the wider succession planning for the Corporation. | |
| 3.22 | Revised Terms of Reference 24/25 The ToR were agreed and will be recommended to Corporation for approval. | Clerk |
| 3.23 | Cycle of Business 24/25 The CoB was agreed and will be recommended to Corporation for approval. | Clerk |
| 3.24 | Committee Effectiveness including summary of Committee Activity 23/24 <ul style="list-style-type: none"> The summary was a useful reminder of what had been covered in the first year. Good discussions take place. Governor concerns are alleviated. The level of challenge is improving. The culture is challenging but still supportive. The committee operates well. | |
| 3.25 | Any Other Business There were no items of AoB. | |
| 3.26 | Confidential Items There were no confidential items. | |
| | Date and Time of Next Meeting: TBC when 24/25 calendar is confirmed | |