



MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 7 MAY 2024 AT 11.0 AM, HYBRID - REMOTELY VIA MS TEAMS AND IN T108, AT THE ROUNDHOUSE

APOLOGIES FOR ABSENCE 2

DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM..... 2

MINUTES OF THE PREVIOUS MEETING HELD ON 12 MARCH 2024..... 2

MATTERS ARISING..... 2

PROPERTY AND ESTATES, INC 2

- PROPERTY AND ESTATES ANNUAL STRATEGY REVIEW PRESENTATION 2
- SUSTAINABILTIY ANNUAL STRATEGY REVIEW PRESENTATION 2
- ESTATES PROJECTS REPORT 2

FINANCE REPORT, INC:..... 3

- MANAGEMENT ACCOUNTS FOR MARCH 2024, INC..... 3
- REMOVAL OF SEND PROJECTS FROM CAPITAL REPORTS 3
- PROPOSED REVISED FORECASTS 3

FINANCE OVERVIEW INCLUDING INITIAL FUNDING ALLOCATIONS AND BUDGET ASSUMPTIONS..... 4

ESFA FINANCIAL HEALTH DASHBOARD - UPDATED APRIL 2024 5

THE CFO PROVIDED A VERBAL UPDATE WITH REGARDS TO THE ESFA FINANCIAL HEALTH DASHBOARD. 5

RESOLVED: THE COMMITTEE ACCEPTED THE ESFA FINANCIAL HEALTH DASHBOARD..... 5

SUBCONTRACTING REPORT 5

CHAIR 6



MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 7 MAY 2024 AT 11.00 AM, HYBRID - REMOTELY VIA MS TEAMS AND IN T108, AT THE ROUNDHOUSE

Present: Martyn Marples (Chair), Andrew Cochrane, Phil Dover, Mandie Stravino

In attendance: Jo Clifford, Heather Kelly, Claire Love, Ant Dews, Laura Ellis (Clerk)

	Action	Date
<p>21/23-24 APOLOGIES FOR ABSENCE</p> <p>No apologies for absence.</p> <p>The meeting was clerked by Laura Ellis in the absence of Rose Matthews.</p>		
<p>22/23-24 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM</p> <p>All members were eligible, the meeting was confirmed to be quorate and there were no new declarations.</p>		
<p>23/23-24 MINUTES OF THE PREVIOUS MEETING HELD ON 12 MARCH 2024</p> <p>RESOLVED: The minutes of the meeting held on 12 March 2024 were approved as a true and accurate record.</p>		
<p>24/23-24 MATTERS ARISING</p> <p>There were no matters arising.</p>		
<p>25/23-24 PROPERTY AND ESTATES, INC</p> <ul style="list-style-type: none"> • PROPERTY AND ESTATES ANNUAL STRATEGY REVIEW PRESENTATION • SUSTAINABILTIY ANNUAL STRATEGY REVIEW PRESENTATION • ESTATES PROJECTS REPORT <p>The Director of Estates had joined the meeting to present an overview of enactment of the College’s Estates Strategy.</p> <p>The key points included the aims of the strategy, success measures, impact, risks and challenges.</p>		

The presentation covered environmental initiatives with external businesses, IoT capital developments on target for completion for August 2024, Post 16 Motor Vehicle capital works target for completion October 2024 and T Level Hair and Beauty Capital works.

The Corporation Chair asked how close the College were with an exit date for Johnson Building. College leaders explained that negotiations were key and timing critical and that a deal was close. Negotiations remain on exit liabilities and dilapidations survey. The CFO confirmed that the Johnson Building had been built into modelling and provisions.

Estate Projects Report

The Director of Estates presented the update on major Estates development report that outlined the status of each of the major developments including development of BFH to create more classrooms and the tarmacadem works at BFH.

RESOLVED: The updated report was received and accepted.

AD left the meeting at this point.

26/23-24 FINANCE REPORT, INC:

- **MANAGEMENT ACCOUNTS FOR MARCH 2024, INC**
- **REMOVAL OF SEND PROJECTS FROM CAPITAL REPORTS**
- **PROPOSED REVISED FORECASTS**

The CFO reported on progress towards headline financial KPIs and targets including Management Accounts at period 8.

The headline figures were strong compared to budget. The updated full year EBITDA forecast represented an improvement against the period 7 forecast and an improvement against the original budget. It was noted the Higher Technical Qualification (HTQ) funding is excluded from the P8 forecast and will be added once the detailed budget plans are finalised.

The CFO highlighted that several forecasted grants are considered high-risk and will be continued to be monitored closely. The reclassification grant was initially budgeted for works at Broomfield, which are now being replanned.

The Committee Chair asked why the reclassification grant was marked as high risk. The CFO explained it is linked to the Chatsworth extension and high risk due to timing and spending the grant. Grant money deadline is March 2025.

The Committee Chair asked which planning authority would the plans go through and if the College had engaged proactivity with them to forewarn them of the tight timescales.

The Committee Chair as what the plans were in relation to SEND. The CFO explained that the Local Authority were trying to be more cost effective and positive discussions have been held

regarding helping them the utilise the funding. There has been a recent change of personnel at the LA and whilst they are supportive of DCG, their view is that there is no capital available for projects of the proposed scale. The CFO confirmed that the project would need to be fully funded by the LA. The CFO also confirmed that it would be good housekeeping to remove the project fully from the finance record to prevent it appearing as a variance.

The Committee Chair asked for clarification on the wording for bullet five on the recommendations of the report. Was this for noting or reflecting to the Corporation?

The Committee Chair reported that the contribution analysis was useful and asked how the information is used. The CFO explained that the analysis is presented and reviewed monthly at SLT and also used in budget meetings with the Heads.

The Committee Chair queried the £200k swing within Professional Education. The CFO explained that within Professional Education was RH Thinking. RH Thinking had agreed an ambitious budget and growth had not been achieved. The CFO confirmed that the budget will be re-based back for next year.

The Committee Chair noted the positives within Engineering. The CFO responded that this was due to over recruitment and staff shortages.

The Corporation Chair asked for confirmation as to whether RR was costing the College money. College Leaders explained that work is to improve quality and that a top up was paid last year. RR is measured via the Scorecard as a contractor. The top up payment has been re-negotiated as quality and RR confidence has improved.

RESOLVED: The Committee accepted the Financial Report and KPI's for 2023-24 and the position regarding financial health and covenants.

RESOLVED: The Committee accepted the capital update and project progress to May 2024.

RESOLVED: The Committee recommend to the Corporation the removal of SEND project from capital reports and recommended to the Corporation the proposed revised forecasts.

Chair

20/05/24

27/23-24 FINANCE OVERVIEW INCLUDING INITIAL FUNDING ALLOCATIONS AND BUDGET ASSUMPTIONS

The CFO presented in detail the 2024/25 Key Budget assumptions and funding allocations report.

The report outlined the anticipated funding streams for 24/25, reported on the key budget assumptions and reported on the implications of setting different levels of EBITDA and operating surplus.

The Corporation Chair asked about the 257 T-Level students against the current curriculum plan of delivery to 347 students. The CFO reported that these were not being funded for T-Level and anticipates that the allocation is increased and might receive growth funding.

A Committee member commented about Schools reporting teachers pension grant not being able to cover costs. The CFO reported the College has covered this cost.

The Committee Chair challenged the recommendation of scenario two and model 3% as targets. The CFO reported that savings and hits through pay savings and not wishing to impact on quality. The CFO reported that the College were carrying four vacancies in Engineering.

The Committee and College Leadership discussed each of the three scenarios in detail along with the risks for each.

RESOLVED: Members of the Finance and Resources Committee received considered and approved the key assumptions and headline expectations for the 2024/25 budget.

Members were asked to recommend to the Corporation that the minimum expectation for the College budget for 2024/25 was a 2% EBITDA based upon the scenario outlined in the report.

Chair

20/05/24

28/23-24 ESFA FINANCIAL HEALTH DASHBOARD - UPDATED APRIL 2024

The CFO provided a verbal update with regards to the ESFA Financial Health Dashboard.

RESOLVED: The Committee accepted the ESFA Financial Health Dashboard.

29/23-24 SUBCONTRACTING REPORT

The CFO presented in detail the Subcontracting update and approvals report.

The report provide detail on subcontractor performance for 23/24, recommendation to revise contract values for 23/24 to achieve the approved budget and to recommend contract values for 24/25.

The CFO reported that the College currently works with five subcontracted partners for 23/24. Details of the current contracts

were included as an annex to the main report. Partner performance is currently good, with improved outcomes compared to the prior year for all partners. The CFO explained that one partner is behind compared to their allocation and will be delivering an additional cohort prior to the end of the year to recover some of the shortfall, however, there is a risk that they might not deliver their allocation in full.

The CFO outlined the proposed contract variations and implications that will be negotiated. The CFO also explained that clauses for next year will also be introduced.

The Committee Chair queried the term ‘subject to due diligence and negotiations’. It was agreed to delegate the decision to the Exec / College Leadership Team.

CFO 07/05/24

RESOLVED: The Committee recommended the following for approval to Corporation:

Chair 20/05/24

- that AEB contract variations for 2023-24 are awarded to Tempus Training and The Construction Skills People to the value of £150,000 following successful contract performance to date.
- that AEB contract variations for 2024-25 are awarded to Tempus Training, Skills College and The Construction Skills People to the value of £1,200,000 subject to due diligence and negotiations.

The meeting finished at 12:26 pm