



MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 12 MARCH 2024 AT 2.30PM PM, HYBRID - REMOTELY VIA MS TEAMS AND IN T108, AT THE ROUNDHOUSE

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MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 12 MARCH 2024 AT 2.30PM PM, 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, Ian McCormick, Rose Matthews (Clerk)

15/23-24 APOLOGIES FOR ABSENCE

No apologies for absence were received.

16/23-24 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM

All members were eligible, the meeting was confirmed to be quorate and there were no new declarations.

17/23-24 MINUTES OF THE PREVIOUS MEETING HELD ON 28 NOVEMBER 2024

RESOLVED: The minutes of the meeting held on 28 November 2024 were approved as a true and accurate record.

15/23-24 MATTERS ARISING

11/23-24 The capital and revenue expenditure for the grants had been approved by the Corporation.

An update on the covenant was included in the Finance Report.

16/23-24 IT AND DIGITAL STRATEGY: ANNUAL REVIEW

The Director of IT had joined the meeting to present an overview of enactment of the College's Digital Strategy.

The key achievements included keeping the College safe - through attaining Cyber Essentials and also the filtering and monitoring of the system. The increasing financial challenges were highlighted, particularly in achieving Cyber Essentials and its widening scope.

Action	Date
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The aspirational direction was shared throughout the presentation, particularly in relation to AI the constantly evolving landscape.

The Corporation Chair reflected the pace was not slowing down and was likely to accelerate. He acknowledged the need for resources and suggested this might be a good area for collaboration.

He went on to ask if the AoC had a working group on AI. JISC had a committee that focussed on big data analytics, but it was being designed by committee and not really focussing on the task at hand.

College leaders explained the internal conflict, the Director of IT was very visionary and can see and understand the pace, but there is frustration around the constraints in the college environment. The IT Director has forged good external links and collaboration does take place with technical expert companies – with focus on the external environment.

The College did try and lobby MPs via the AoC with regards to capital funding, which is available for buildings but not IT resource. **The Corporation Chair asked what the result of that was,** which was more specific restriction indicating no to IT.

PD asked if the College needed to be early adopters. He said there was a cost to being first. Could the College continue with smaller projects and not rush in. The Director of IT said it was not a case of jumping in feet first, as soon as the capabilities of AI are seen, they will want more.

PD said the concern with ChatGPT was the massive work involved in the algorithm. Someone else is designing it and knows how it works. There is a worry with allowing an AI model we don't quite know or what it is doing.

Members suggested there was a piece of work required around opportunities and threats, along with the development side – in terms of data quality and the likely cost. The Director of IT had met with a company in relation to data quality and driving compliance, along with the threats. There is a huge piece of work that goes on around it.

RESOLVED: The Committee noted the information in the presentation and the progress towards enactment of the strategy.

17/23-24 **FINANCE REPORT, INC:**

- **MANAGEMENT ACCOUNTS FOR JANUARY 2024**
- **MID-YEAR REVIEW AND FINANCIAL REFORECAST**
- **ESFA FINANCIAL HEALTH DASHBOARD**
- **TUITION FEES POLICY**

The CFO reported on progress towards headline financial KPIs and targets including Management Accounts at period 6.

The headline figures were strong compared to budget. The updated full year EBITDA forecast represented an improvement against the period 5 forecast and an improvement against the original budget.

Members questioned if it was likely to get better, in terms of filling the vacancies. The CFO said it was a risk and the College were not delivering the level of the adult income. The key risks were whether to erode the pay through inflationary pressures, noting the National Living Wage increased in May, but then the gap would become narrower.

Expenditure risks related to volume and rates of exam charges and End Point Assessments on apprentices. Energy was positive and negotiating was still taking place around the billing.

A clearer position was known in relation to additional funding and growth.

The Committee Chair questioned the revenue funding for the LSIF project and asked if the College were on track for spending by the March deadline. Discussion took place around this and it was noted the deadline was tight but the spending could be utilised.

He went onto question the T Level Hair and Beauty works and asked if the revised completion date put the College at risk. Notification of specialist equipment had only just been received and even if it slipped from 31 July, capital grant releases were still projected.

Financial health was good and the Treasury Management Report outlined information on the covenants. Operational leverage was more comfortable.

The Corporation Chair questioned the deficit position and asked if vacancy drift was being deliberately managed to assist the EBITDA position.

The DCEO explained every request to recruit was reviewed and every role challenged. In teaching it was not an intentional obstacle and it was unfortunate it was having a negative impact in the classroom. Businesses were reporting a change in the environment but that was not reflected in FE and the challenge remained.

RESOLVED: Members accepted the report and noted the Financial Report and KPIs for 2023-24 and the Financial position regarding financial health and covenants and recommended the report to the Corporation.

The Tuition Fee Policy had undergone a refresh and had been expanded to capture the enrolment policy and operational practices, particularly around instalments. This related to the

Chair

25/03/24

current year and included tables from the ESFA on adult funded courses.

RESOLVED: The Committee recommended the Tuition Fee Policy to the Corporation for approval.

Chair

25/03/24

18/23-24 TREASURY MANAGMENT REPORT

The Director of Finance presented the Treasury Management Report which formed part of the new Treasury Management Policy.

The report covered the activity for the first half of the year and provided an overview on banking, borrowing, investment income and deposits and bank covenants, alongside debt service cover and operational leverage.

Actions for the forthcoming period were highlighted.

The Committee Chair asked if there were any changes proposed to the Policy and none were planned.

RESOLVED: The Committee noted the investment activity to January 2024, the current position of performance against bank covenant and future actions.

19/23-24 PROCUREMENT REPORT

The CFO provided the Committee with an update on recent procurement exercises.

A recommendation for approval was sought for the T Level Hair and Beauty main contractor. It was pointed out the T Level qualification was no longer commencing in 2024, however the funding was retained and the College was completing the works.

The value of the contract exceeded College thresholds. Enquires had been circulated to other contractors, but due to restrictions on site outlined in the report, they have indicated they would not tender. The value is below the Public Contracts Regulations thresholds therefore there is no legal requirement to perform a full tender exercise.

RESOLVED: The Committee recommend to the Corporation the contract for T Level Hair and Beauty be awarded to Davlyn Construction at an estimated contract value of £300,000 subject to final negotiations.

Chair

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An open tender had been completed and evaluated to implement a framework for professional consultants to be used in forthcoming capital projects on a call-off basis. The framework will be in place for three years at an anticipated value of £200,000 threshold. Submissions had been received from 67 companies

and following an evaluation (details outlined in the report) it is proposed to appoint the top four contractors for each specialism.

Architecture: Farrell & Clark LLP, YMD Boon Ltd, Wilson Mason LLP, Ellis Williams Architects Ltd.

Project Management: Invisive Ltd, Armsons Barlow, Ward William Associates LLP, WT Partnerships Ltd

Quantity Surveyor: Armsons Barlow, Ward Williams Associates LLP, WT Partnership Ltd, HCT Construction Consultants Ltd

Structural Engineer: BSP Consulting, Concertus Design and Property Consultants, Rolton Group Ltd, Cost and Project Consultancy Service Ltd.

CDM Co-ordinator: YMD Boon Ltd, Invisive Ltd, Greenwood Projects Ltd, Cullinan Studios Ltd.

M&E Engineer: Hba Consulting Engineers Ltd, Engineering Services Design Practice Ltd, Concertus Design & Property Consultants, Kinetic Engineers Ltd.

The Committee Chair questioned how each contractor for the specialisms would be determined for any work carried out.

The CFO explained they had sought legal advice and the College could appoint anyone of the four, for example where a contractor has a better line of sight or avoiding where there is a conflict.

RESOLVED: The Committee recommend that a framework be established with four contractors for each specialism for a period of three years. The value of new major projects will be subject to separate overall approval and will generally be included as part of the annual budget setting process.

Chair

25/03/24

The current leases had expired on the agricultural vehicles at Broomfield. The current supplier required the vehicles returned for resale. Four suppliers had been approached for a quote for replacement of equivalent vehicles.

The current supplier G&R Pykett Ltd have provided the lowest price and have good customer service and working relationship with College staff.

It is proposed the vehicles are leased by G&R Pykett with a whole life value of a three year lease with the option to extend for one year, at a value of £212,888.

This falls slightly under the Public Contracts Regulation threshold for tendering which is £214,904 therefore there is no legal requirement to undertake a full open tender however the college will need to demonstrate it has achieved value for money. It is recommended that a procurement waiver is agreed for not completing a tender in accordance with college policy.

RESOLVED: The Committee recommend that the vehicles are leased by G&R Pykett Ltd with a whole life value of a three year lease with the option to extend for one year, at a value of £212,888. However further negotiations should be undertaken to ensure value for money.

Chair	25/03/24
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20/23-24 WHAT HAVE WE LEARNED?

Committee members reviewed the pace of IT change and opportunities.

The Committee reflected that they only received strategic updates on HR, IT and Estates once a year and questioned if this was enough. Although any updates are fed through the Finance Reports.

The Corporation Chair and Committee Chair reflect offline.

Corp Chair/ Cttee Chair	07/05/24
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The meeting finished at 3.50 pm

Signed: _____ Date: _____