

**Tuesday 23rd February 2021 at 5.30pm
Remote via online conference platform**

MINUTES

PRESENT:

Mr M Belfound, foundation governor, Chair (Vice-Chair of Governors)
Mr N Sheta, foundation governor, Vice-Chair (Chair of Governors)
Mr G Thompson, Principal
Ms R Clark, Staff Governor (teaching)
Mr D Freeman, foundation governor
Mrs K Taylor, foundation governor

IN ATTENDANCE:

Mrs M Searle, Head of Finance
Mrs S Plumb, Senior Business Manager
Mrs E Lewis, Clerk to the Governors
Mr C Graham, Associate Principal (observing)

The meeting was opened by Mr Belfound at 5.32pm. It was quorate throughout and all participants were able to see and hear each other.

1. **Opening Prayer:** offered by Mr Thompson
2. **Apologies:** not applicable – all present
3. **Declarations of Interest:** there were none
4. **Minutes of meeting held on 26th January 2021 (Part One):** previously circulated 2nd February 2021 and included in the papers, were agreed to be a true and accurate to be signed in due course.
5. **Review of confidential minutes:** Taken under part two.
6. **Matters Arising** (other than agenda items):
 - 6.1. **Funding Assurance Review outcome:** Mr Thompson advised that the official notification of the outcome of the review was still awaited from ESFA. He explained that the auditors, KPMG, had confirmed by email, in response to a query from him, that no errors in funding had been found in their assurance review of the year 2019 – 2020. Buzzacott had accepted the findings in that form.
 - 6.2. **Financial filing with ESFA:**
 - 6.2.1. **Issue of updated letter of representation:** Catherine Biscoe, Engagement Partner Buzzacott LLP, financial statements auditors, had requested an updated letter of representation from the Governing Body due to the length of the gap between the original (dated 3rd December 2020 and signed by Mr Garvey as Chair) and her imminent signing-off of the end of year (31st July 2020) accounts. Mr Belfound

was assured that that the statement at point 13 regarding the amount of prepaid professional fees (£41,089) remained true. Governors confirmed that they were satisfied that nothing had or would arise to affect the audited accounts as approved on 3rd December 2020 and Mr Belfourd proposed that the updated letter of representation be signed and returned to Buzzacott.

ACTION AGREED: Mr Sheta's signature would be applied, with his granted permission, to the updated letter of representation, now dated 23rd February 2021, electronically. Mrs Lewis to send it via email to Mrs Biscoe¹.

Mrs Searle advised that the next step would be for Mrs Biscoe to obtain assurance from her that there had been no post balance sheet events which could affect to College's accounts figures and, once given, the audited financial statement and accounts for year ended 31st July 2020 would be signed by Buzzacott along with a final Post audit report ("management letter"). Filing of the five² end of year documents required by ESFA, including the financial record, could be completed before the extended deadline of 28th February 2021³.

- 6.3. **ESFA confirmation of Financial Plan 2019 to 2021 & Financial Dashboard:** It was noted that nothing had been received from ESFA in this regard.

7. Tracking of actions from previous meetings:

- 7.1. **Monitoring of FMCE improvement plan (from 17th Nov 2020):** Mrs Plumb reviewed the progress report, which had been included in the papers, against the two improvement targets.

Student recruitment: Mr Thompson added that the current level of applications should be compared with the previous year in the context of there not being an in-person Open Day event in November 2020.

Counter-fraud culture: A fraud awareness training presentation scheduled for the audit committee meeting on 2nd March would also be attended by the Chair and Vice Chair of Governors and the Associate Principals. At that meeting the Anti-fraud, Corruption, Bribery and Malpractice policy would be reviewed.

Progress against action plan was noted and would also be reported to the Audit Committee.

8. **Premises and Accommodation project reports and plans:** Mrs Plumb's report "Capital Projects, Accommodation and Premises – Update for F&R Committee, 23rd February 2021" had been included in the papers for the meeting and was taken as read.

Two bids had been submitted to the Condition Improvement Fund 20/21 (CIF). One bid for a grant of £479,362.69 was for boiler and associated pipework replacement project costed at a total of £585,231.40. It was proposed that £87,785.71 (15%) would be funded from college reserves and £18,084 from a Salix loan which Mr Belfourd explained. Mr Thompson advised that the outcome, normally announced in late March, was loosely expected "later in the Spring" without any more precision on the timing. The college contribution was noted to be in the highest band of match funding to maximise the scoring in this regard.

The second bid was for a grant of £225,128 towards a project to upgrade fire doors identified by the College's fire risk assessment to conform with current legislation and

¹ This was done and receipt acknowledged

² Finance Record; Financial Statements; Audit committee annual report; Financial statements of Trading Subsidiary; Post audit report ("Management letter")

³ The filing was made and acknowledged on 25th February 2021

meet British Standards. The total project cost would be £254,128 of which £29,000 (11%) would be contributed from college reserves.

Mrs Plumb confirmed that the costed and colour-coded plan had been updated. She reported audits that the insurance agent, *Hettle and Andrews* (H&A) had undertaken and advised a key priority action arising from the Health and Safety audit was that an external fire assessment was necessary. H&A had been invited to conduct this in mid-March. Mr Belfourd agreed that these audits provided a useful tack-on service and had been an element of added value considered at the time of awarding the insurance contract to H&A. Mrs Plumb explained that H&A would award a bursary of £5,000 towards completing recommended works. They would also provide asbestos awareness training.

Mr Thompson introduced the **“T Level new build project”** proposal which had been included in the papers for the meeting. He put the proposed project into the context of the government agenda to roll out T Levels and the college progressive engagement with the design and development of a curriculum which would introduce T Level Business and Administration from September 2022. Mr Thompson explained that the college wished to make an application to the third round of T Level capital funding for a 50% match-funded grant to undertake the project, costed at around £700,000.

Mr Thompson referred the committee back to 2018/19 when the Diocese won a right to light settlement from the developers of a care home being constructed on a neighbouring site which would overshadow the Art department. To mitigate the impact, plans were drawn up and approved at that time by Wandsworth council for the construction of a single storey modular block to be funded with part of the unconditional donation from the Diocese.

Mr Thompson explained that the plan illustrated in his paper was to construct the same sized modular block on the original planned site, slightly re-designed, to accommodate a different curriculum area. He confirmed that the lighting issue for the art department had been mitigated successfully.

He described how the internal design of the new block would create a flexible workplace style Business hub teaching and learning space, suited to the delivery of T Level Business and Administration.

Mr Thompson advised that Mr Andy Taylor was supporting the compilation of the bid and the relationship with the architects of the previous plan had been re-established. The deadline for submission of the bid was noted to be 26th March 2021. Mr Thompson also advised that the project had recently gone out to tender with a return date of 10th March 2021. He explained that it was a requirement that the funding application had the formal, agreed support of governors.

Mrs Taylor recounted that the need to rehouse the Art department had been quite important previously. She was assured by Mr Thompson that following an upgrade to the lighting and because the reduction in light was less than anticipated the impact had been mitigated. Mrs Taylor asked whether there was a recommended standardised layout for the delivery of T Levels. Mr Thompson replied that delivery would be employment focused and learning would be best achieved in a replicated business type environment and described how the proposed plans would achieve that with flexibility. Mrs Taylor was concerned for the impact on the students experience if the match-funded bid was not

successful. She could envisage the course and facility having great potential for marketing the college and attracting students. Mr Thompson agreed and said other ways to achieve his vision for business teaching beyond a conventional classroom arrangement would be explored if this proposed bid was not successful. Mr Sheta commented that it would be a huge investment but worth it to place the college in a strong position for marketing and a leader in providing T Levels. Ms Clark asked whether the block would be big enough going forward to accommodate the potential cohort. Mr Thompson explained how the accommodation would work. Mr Thompson confirmed to Mr Belfour that the plan remained a single storey build for which planning permission had been granted and was still valid. Mr Belfour recalled that previous tenders for the build had been too high over budget. It was re-iterated that the donation from the Diocese had been given with no restrictions or recommendations for its use and Mr Thompson advised that he had informed the Diocese of the intended expenditure. It was agreed that all governors should be made aware of the proposal to submit an application for a match-funded grant which would use £350,000 of the “right to light” donation from the Diocese.

The committee unanimously approved the proposal to make an application for funding as set out in the paper.

ACTION: A strong recommendation to support the application would be made to the meeting of the full Governing Body being held on 18th March 2021. Mr Thompson / Mrs Lewis would prepare the resolution ready for approval and signing to accompany the application, to avoid delay meeting the deadline.

Broadoak lease-back Lease: Mr Thompson advised the committee, for information, that the ten year lease-back lease with PACT⁴ on a small suite of rooms in the Broadoak building⁵ was due to expire in October 2021. Options were discussed. The committee agreed to await the outcome of the T Level modular bid application.

9. Financial Report:

- 9.1. **Monthly commentary and accounts:** Monthly accounts up to and including January 2021 had been distributed to all governors. Mr Belfour confirmed that they had been forwarded to the ESFA as part of the monitoring agreement. Mrs Searle said that the accounts were as expected and commented that the covid pandemic had made them quite static. She advised that she was reforecasting regularly but had no concerns to raise. It was noted that the pay increases would show in the February accounts.
- 9.2. **Treasury Monitoring Report** The report had been included in the papers for the meeting. The next deposit to mature would be in September 2021. Mrs Searle said that, in response to the profile of funding income, she may move funds temporarily from the Scottish Widows account into the current account to cover the dip and protect cashflow, but these would be replaced straight away on receipt of the grant fund payment. This was a strategy that the ESFA had been made aware of in submissions.
- 9.3. **Rateable value:** Mrs Searle reported receipt of the rebate on the Nursery for last year and a refund of the bill for this year. She had no update on the college but was of the opinion that the value was up to date.

⁴ PACT (Parents, Children and Teachers in Partnership) Educational Trust Ltd

⁵ The Broadoak building was formerly leased by SFX from the Diocese

9.4. **Banking review:** Mrs Searle reported that Allied Irish Bank (AIB) had requested a copy of the audited accounts for year ended 31st July 2020 to inform the annual review. In addition to the college current account, there remained £700,000 on deposit as detailed in the Treasury Management Report. She advised that the time was not right to move the current account and AIB personnel were being helpful. She informed the committee that the update to the bank mandate previously advised was ongoing as the requirement was for a wet signature. The bank was arranging a courier, at its expense, to collect the signed forms.

Mr Sheta referred to the £85,000 limit of the Financial Services Compensation Scheme and asked whether it was prudent that the college had significant cash deposited in only two institutions. Mr Belfourd outlined the process of selecting the best investment options for the college cash reserves. Mrs Searle said that the three capital projects would potentially soak up a significant amount of the cash reserves.

It was agreed to monitor the distribution of investments.

9.5. **Friends of St Francis Xavier Fund:**

9.5.1. Mrs Searle advised that the transfer of £1k from the main college account into the Friends of St Francis Xavier restricted fund bank account as approved by Governing Body on 3rd December 2020 would be actioned once the change of signatories had been actioned at the bank.

9.5.2. Current balance: £438

9.5.3. Updating of signatories on bank account: noted in 9.4 to be underway slowly.

9.6. **Staff pay settlement:** Mr Thompson reported that the Support Staff settlement had been agreed last year as a two part deal. The settlement for Teachers had now been agreed and was within the allowance made in the budget / forecast. The committee was pleased to note the decision by government to pay the teachers pension scheme grant to the end of the academic financial year (31st July 2021) rather than cutting it off at the end of March 2021.

10. Funding update & financial projections / plan and returns:

10.1. **Review and update:** Mrs Searle explained that the next return would be the risk based cashflow return - details were expected to be provided in guidance due on 28th February.

Mr Thompson announced that it was now known that the college would not receive an in-year uplift in funding for the additional students it had recruited due to the formula applied. It had qualified because of the growth in numbers but had been penalised by a deduction of 50% of under recruitment from the previous year.

10.2. **30th April filing return:** Until the detail was published there was no information about what level of authority would be required on this return. It was agreed that the provisional additional meeting date of 20th April 2021 would, therefore, remain in the diary.

10.3. **Update on ESFA early intervention process:** Mr Thompson had made enquiries of Mr Edwin Dhauke, Territorial Team Provider Manager, about status and a date for the next monitoring meeting but there was no formal update. Mr Belfourd commented that it was likely the ESFA would be awaiting the audited financial accounts and other returns – they would also be monitoring the risk from the monthly accounts.

11. **Non-Core business / income generation update:** The Board of Directors of the Trading Subsidiary, SFX Corporate Services Ltd had met on 11th February 2021. Mrs Plumb introduced the report “V23 – SFX Corporate Services Limited (Trading Subsidiary –

Business Plan Summary – 20/21)” which included financial projections for the company. Mr Belfour summarised that the subsidiary’s actual and predicted income, currently solely generated by lettings, was critically reduced by the restrictions and lockdown. Mrs Plumb described the strategy for re-opening the facilities to new and existing customers from 29th March onwards within government guidelines. There would possibly be potential to let the sports hall during what would normally be the external exam period, although college needs would take priority.

The committee noted that Nightingales Nursery had also been impacted due to parents working from home and people moving out of London. Mrs Plumb outlined the uplift in marketing for the Nursery including a revamped website and banner.

12. **Tuition and other Fees: (ref Article of Government 20, fees framework)** Mrs Plumb introduced the updated Charging Policy which had been included in the papers for the meeting. She outlined the changes as highlighted. Mr Thompson explained rewording applied in response to changes arising from Brexit. Mr Belfour asked whether there were any students in the settled status category – Mr Thompson said this would transpire in September. Arrangements for return of iPads that were loaned rather than bought via the finance scheme were confirmed. The introduction of *Worldpay* to advance the move to a more cashless college was noted.

The policy was approved (subject to the removal of (listed below) from the Note on page one) **and would be recommended to the full Governing Body for ratification on 18th March 2021.**

13. **Any other business:** Mr Belfour noted that Richard Atkins, FE Commissioner was about to retire and had indicated in his final (February) letter to Chairs and Principals that revised benchmarks would be used for intervention visits amongst other things but not as triggers for intervention and not the same as the ESFA’s financial health grades. Mrs Searle said she was aware that ESFA was looking at amending financial health grades and anticipated that the July return might have a change in the grading although nothing had yet been announced.
14. **Risk management:** The committee considered that emerging risks or modifications to existing risks / mitigation were already recorded on the register. It was noted that there was no change to ranking order in the risk register updated for the meeting of the Audit Committee on 2nd March 2021.
15. **Review of meeting:** Mr Belfour invited feedback on the meeting and confirmed that all business had been transacted to the satisfaction of the committee.
16. **Date of next meeting:** Tuesday 22nd June 2021. Tuesday 20th April 2021 would also remain in the diary.

This part of the meeting concluded at 6.49pm, when Ms Clark, staff governor withdrew.

SIGNED: _____

DATE: _____