**GOVERNORS FINANCE & RESOURCES COMMITTEE**

**Tuesday 16th November 2021 at 6pm**
**Held remotely via ZOOM video conferencing**

# DRAFT MINUTES

**PRESENT:**
Mr M Belfourd, Foundation Governor, Chair of Committee
Mr N Sheta, Foundation Governor, Vice Chair of Committee
Mrs K Taylor, Foundation Governor
Ms R Clark, Staff Governor

**IN ATTENDANCE:**
Mrs M Searle, Director of Finance & Resources
Mr C Graham, Associate Principal – observing
Mrs E Lewis, Clerk to the Governors

**The meeting was opened by Mr Belfourd at 6.34pm. It was quorate throughout, and all participants could see and / or hear one another.**

1. **THIS AGENDA ITEM HAD BEEN TAKEN AND MINUTED AT THE EXTRAORDINARY MEETING OF THE GOVERNING BODY HELD IMMEDIATELY PRIOR TO THIS MEETING.**
   1.1. **FMCE[1]:** to note completed non-mandatory self-evaluation for 2020 - 2021:
   1.2. **Financial Statements for year ended 31st July 2021 to be presented by Buzzacott, Financial Statements Auditors:**
      1.2.1. Report & Financial Statements (Consolidated Accounts) for year ended 31st July 2021
      1.2.2. Post - Audit management report for 2020 – 2021 including Regularity
      1.2.3. Letter of Representation
2. **Opening Prayer:** offered by Mr Thompson.
3. **Apologies:** none had been received. Mr Freeman was not present.
4. **Declarations of Interest:** there were none
5. **Minutes: Meeting held on 21st September 2021:** previously circulated 1st October 2021, and included in the papers for the meeting, were agreed to be a true and accurate record to be signed in due course.
6. **Action Points from previous meeting:** none that would not be picked up by the agenda items
7. **Matters Arising, other than agenda items:** there were none.
8. **Accommodation, Premises and Resources:**
   8.1. **Update report**: Mr Thompson introduced the Capital Projects, Accommodation and Premises Report, November 2021 which had been included in the papers for the meeting. Under "Strategic Issues" he explained a delay to the start of the CIF[2] boiler

[1] Financial Management Control Evaluation
[2] Condition Improvement Fund

works which had been due to commence in the October half term holiday. The timeline had been refreshed with a new start date of January 2022. This was not expected to have any impact on college operations or the financial reporting of the project.

Groundwork for the T Level Business Hub capital build project was noted to have commenced as planned over the October half term holiday. Mr Belfourd commented that he had visited the college on Open Day and seen that the tree was well protected and that a digger in the ground confirmed that work had begun. Savings gained from a reduction in matched funding for the project would help offset some of the anticipated increased costs.

Mr Thompson reported that there had been no further major expenditure related to Covid-19 adaptations so far this year. He confirmed receipt of some carbon dioxide monitors which would be placed in areas the college with poorer ventilation.

It was understood by Mr Thompson that the sale of Oliver House School to Dukes Education was progressing towards an expected completion date at the end of November 2021. The leased back rooms in Broadoak had been vacated.

Mr Thompson confirmed that the most recent Health & Safety audit had been the fire risk assessment in April 2021 and the outstanding urgent issue identified had been addressed. It was noted that a professional mill lathe for use by engineering students was being installed having taken safety advice from a professional design consultancy and the college insurers.

It was noted that that discussion was underway with Barkers Associate who would prepare a re-submission of the Fire Door Replacement bid to the 2022/23 CIF round on a no win no fee arrangement. Applications would close at 12 noon on 9th December 2021.

The report summarised costed progress against the Annual Plan of Works for 2021 – 2022. It was noted that the CIF projects were supporting the plan and remedial works recommended by Chartered Surveyors, Drake and Kannemeyer in the condition appraisal (October 2019).

Mr Thompson advised that there would be a PMG[3] on Monday 22nd November for the Business Hub and Boiler project to which Mr Navarro, Foundation Governor, had been invited.

8.2. **Formal confirmation of decision taken by email to withdraw from award from T-Level Capital fund in favour of award from Post-16 Capacity fund**. The Accommodation and Premises report had recapped the change of funding grant awarded for the project. This had been agreed by the committee with a unanimous vote, via email, confirmed on 4th November 2021, in favour of a proposal to withdraw from the T Level Capital Fund award of £576,788 and accept instead the Post-16 Capacity Fund award of £922,861. Conditions of matched funding were more favourable in the Post-16 Capacity Fund award. The notification of withdrawal from the T Level capacity fund sent by Mr Thompson on 9th November 2021 was appended to the report. Confirmation of receipt of the letter was awaited. Mr Belfourd said

[3] Project Management Group

that, in his view, an email (28th October 2021) from Edwin Dhauke, Senior Manager of the ESFA Territorial Team had set out the process for withdrawal from that award.

8.3. **Annual Review of Health & Safety Policy:** An updated policy had been included in the papers for the meeting with changes highlighted in the covering front page.
**The policy was unanimously agreed and would be recommended for approval to the Governing Body meeting on 9th December 2021.**

8.4. **Consideration of the Diocesan "Occupation of School Premises" document**: The document had been included in the papers for the meeting. Mr Belfourd introduced it and explained that he had asked for it to be on the agenda for governors' awareness that the Diocese was reminding governors that the premises were owned by them. He asked whether the college engaged with the Diocese for approval of insurance cover. Mrs Searle confirmed that the annual renewal of insurance followed a robust review process which adhered to the college financial regulations and included regular valuations and that the insurers were aware that the estate was owned by the Diocese although they were not named on the policy. Mrs Searle said that responsibility had always been delegated to the college and, as occupants, that was to insure and maintain the estate. The extent of diocesan entitlement to proceeds from income generated by the letting of college premises was debated.

Mr Belfourd asked who could clarify the content of the document, which seemed to be addressing schools and academies. He explained how Governors are different to Academy Trustees. Mr Thompson suggested it would be Dr Simon Hughes and may have returned to the agenda in connection with the Academisation Strategy. It was noted that, at the request of the Diocese, a detailed response of lettings activity was provided to them in 2015 and this was taken to be a formal notification and did not raise any further enquiry. Income generation is clearly visible in the college and trading subsidiary account. Current agreements with customers were not lettings under licence.

It was agreed that the document served as a reminder of the ownership / Trust relationship between the Diocese and the Governing Body.

9. **Financial update:**

9.1. **Monthly Commentary; Accounts and Cashflow:** September 2021 management accounts had been distributed to all governors on 27th October 2021 and had been forwarded subsequently to the ESFA. Mr Belfourd highlighted that two years' cashflow reports had, this financial year, been incorporated in the monthly report and Mrs Searle explained some accounting changes regarding bursary and free meals income, explained in the paper supporting item 9.3, which made no change to the bottom line.
September 2021 management accounts accepted.

9.2. **Covid expenditure:** was reported in the commentary to the monthly management accounts.

9.3. **Funding - Financial Projections, review and update of financial plan:** Mrs Searle introduced the "Funding/Financial Projections (for Finance & Resources Committee 16/11/21)" illustrative paper which had been included in the papers. She advised there were no updates to the financial plan noting that the student roll had been confirmed at 1280 against the target of 1281. The plan would be reworked to take account of changing funding streams including high needs income.
Report accepted.

9.4. **Treasury:** Mrs Searle confirmed from the report included in the papers that £700,000 investment deposited with AIB[4] would roll over on a weekly basis until the accounts close on 31st December 2021 when it will be transferred elsewhere.

9.5. **Student Council ("Student's Union") Financial Report– presentation of accounts for 2020 – 2021:** Mrs Searle confirmed that the budget statement in the papers showed that there had been only £7.50 expenditure against the budget of £240 for the year 2020 – 2021 which had been for photocopying. Greater activity by the Student Council would be reflected in the account for the current year.

9.6. **ESFA confirmation of CFFR 2021 to 2022 & Financial Dashboard October 2021:** The letter and dashboard included in the papers were noted and would be provided to all governors so that they can be aware of the financial position of the college.

9.7. **ESFA Early Intervention:** It was anticipated that a status update would follow official ESFA review of the statutory accounts for 2020 - 2021. Monthly management accounts were being submitted to the ESFA.

9.8. **College Bank Account:** Mrs Searle introduced the "Banking Review" paper which had been included in the papers for the meeting setting out the Background, Process, Summary of banks contacted and their responses, References, Current Credit Rating and a Recommendation to move the college and trading subsidiary accounts to Barclays Bank UK PLC.
Mrs Searle amplified the rationale behind her recommendation of Barclays and confirmed that AIB would be willing to delay closure to the end of January 2022 to allow for due diligence to take place. This would be preferred by the college.
The committee was in favour of the recommendation to transfer to Barclays, but agreed that it was a matter for decision by the Governing Body. To avoid a time-pressured decision, and in the best interests of the college, it was decided that a written resolution setting out the recommendation of the committee should be sent by email to all governors so that a decision could be agreed without delaying until the meeting of the full Governing Body on 9th December 2021.
**ACTION: Mrs Lewis to inform governors via email that AIB had withdrawn from the market necessitating a search for alternative bankers for the college and its trading subsidiary. The email would advise governors that, following a review of providers, the committee's recommendation was to transfer to Barclays UK PLC and inviting them to vote on that proposal.**

10. **Student Roll and Recruitment:** Mr Thompson introduced the SFX Annual Enrolment Statistics (17th October 2019 – 2021 Comparison) report which had been included in the papers along with course enrolment statistics. The enrolment of 1280 funded learners (against the target of 1281) would generate the lagged grant income for the following year. A number of other colleges in London had reported shortfalls against their target numbers. Analysing the data, he observed more returning students indicating better retention across the two years. He highlighted that 24% of students had declared themselves as Catholic, a continuing fall which reflected a decline in the number of students joining from former partner schools. Mr Thompson explained a higher number of level 3 students and fewer on level 2 was because more had gained qualifying grades via TAG[5]s. There had been an overall growth in A Level particularly in Biology, Chemistry and Business and fewer students retaking Maths GCSE which was also attributable to higher TAG awards.
Mr Thompson reported that Students were attending well.
Mr Thompson reported a successful Open Day held the previous Saturday which had been

[4] Allied Irish Bank

[5] Teacher Assessed Grades

supported by a number of governors. There were almost 600 potential students plus family members (an increase of 70 on the 2019 event) and attendance at the Principal's talks was good. Governors commended the performances by students and feedback from visitors had been complimentary of the student ambassadors and staff. Mr Thompson explained how attention would now turn to converting the positive interest to applications and enrolments.

Mr Belfourd asked what other open events would take place in the remainder of the year and Mr Thompson outlined the calendar of planned virtual and in-person events through to the summer. He noted that the Marketing and Recruitment Manager was leaving at Christmas and recruitment of an experienced successor was underway.

11. **SFX Corporate Services Ltd:**

    11.1. **Report / Business Plans update:** the report, which had been discussed by the meeting of the Board of Directors of the Trading Subsidiary, had been included in the papers and was outlined by Mrs Lewis. Current reliance on "Lettings" for income was discussed and plans to step up marketing and promotional campaigns to boost business was noted.

    11.2. **End of year (to 31st July 2021)**: The report and audited accounts had been signed on 11th November 2021.

12. **Staff Cost of Living Rises: Mr Thompson:** Mr Thompson said the offer to teaching staff he reported to the previous meeting had been confirmed, backdated to 1st September 2021, at a cost of 1.1% to the college. The agreement included a commitment to establish a working party to discuss London allowances and to look at the lowest pay scales in relation to the starting point for teachers.

    Mr Thompson said that negotiations with the support staff side, in line with the 1% teachers award, were at final offer stage being recommended for acceptance by UNISION for 2021 – 2022 and included a revision to the starting point on the scale. A recommended uplift of the support staff performance standards payment from £320 to £370 was expected to be accepted.

    Mr Belfourd commented that it was because colleges are treated as being (publically funded) private sector whereas schools are public sector that Sixth Form Colleges won't get any cushioning of the blow of increases in National Insurance.

13. **Professor Keohane Memorial Fund / Prize £300 award:**

    13.1. **Endorsement of nominee(s) for recommendation to full Board:** Two former students had been suggested by the Science Department. Mr Thompson gave some background to the nominees but it was decided that further rationale was needed to support a decision about which recipient would be recommended.

    **The committee would be advised of final recommendation prior to the meeting of the Governing Body on 9th December 2021 when it would be confirmed.**

14. **Risk Management:** The committee considered whether any new risks or modifications to existing risks on the register had been identified during the course of the discussions. It was noted that Mrs Biscoe had referenced the main risks during the audit report to the Governing Body.

    Mrs Taylor observed that the Principal held responsibility for a number of risks on the register. She said that it was a good document but asked where support for mitigating those risks came from. Mr Thompson explained how members of the SLT[6] and CMDC[7] contribute. He said that now the register had been streamlined and slimmed down

[6] Senior Leadership Team

[7] College Management Development Committee

responsibility for routine completion and updating would be delegated to the wider group of risk holders on the SLT and CMDC.

15. **Any other business:** There was none.
16. **Date of next meeting:** Tuesday 22nd February 2022, 5.30pm

**The meeting closed at 7.34pm**