



MidKent College

GOVERNING BODY

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on Monday 6 July 2020 at 1700hrs via Skype due to the College closure (Covid-19).

Present:

Mr C Reeves	Chairman
Mr M Blanning	
Mr S Cook	Principal/CEO
Mrs N Swain	Co-opted Member

In attendance:

Ms C Burkin	Clerk to the Governing Body
Mr C Hare	Executive Director of Employers & Corporate Services
Mr M Peat	Executive Director of Finance & Estates
Mr A Start	GB Chairman

1 Declarations of Interest

Mr M Blanning declared an interest as Lay member of Kent Youth Offending Service and Member of Management Committee of NWKAPS. *Mr S Cook* declared an interest as a Trustee of the Medway UTC, Rivermead Trust, a Board member of the Kent and Medway Economic Partnership and the Chair of Medway Place Board. *Mr M Peat* declared an interest as the Company Secretary for MKCTS and Trustee and Company Secretary of the Lower Lines Trust. *Mr C Reeves* declared an interest as a Trustee for the Hackney Free and Parochial Schools Educational Trust, Trustee of Hackney Lighthouse and Non-Exec Director of MKCTS. *Mrs N Swain* declared an interest as Finance Officer for Fulston Manor Academies Trust.

2 Apologies for Absence

Apologies were received from Neil Davies who had communicated comments to the Chairman prior to the meeting.

The Chairman welcomed Nikki Swain as a new co-opted member of the Committee.

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3 Minutes of the meeting held on 13 May 2020 - Paper GBF&GP19/1004(a)

The minutes and confidential minutes of the meeting held on 13 May 2020, were accepted as a true record and digitally signed by the Chairman.

4 Matters Arising and Outstanding Matters Report

Members discussed Paper GBF&GP19/1005, the Outstanding Matters Report.

- No 1. Capital Projects – Feasibility Study – **Ongoing**.
- No 2. The Deep Dive Commercial Income – **Complete**.
- No 3. Members asked the Exec to consider and report on ways to improve the College’s carbon footprint. MLPs to be considered under item 11 – **ongoing**.
- No 4. Financial implications of the Colleges HE provision – included in the Budget paper – **Complete**.
- No 5. HR - Gender & Equal Pay – the data will be updated and presented to Committee in a timely manner. Under item 6 – **Complete**.
- No 6. Utilisation of College Reserves Update – BF 2020/21 – **Ongoing**.
- No 7. UCM Campus Costs – BF 2020/21 – **Ongoing**.
- No 8. Risk Register Review – on every agenda – **Ongoing**.
- No 9. HR Update – Staff Survey – on agenda. **Complete**
- No 10. Policies - Financial Regulations, Procedures & Anti-Fraud – **Ongoing**
Policies - MKC Slavery and Human Trafficking Statement 2020/21 – **Complete**.
- No 11. AOB – consider moving meetings – no longer required - **Complete**
- No 12. Utilisation of College Reserves Update – BF 2020/21 – **Ongoing**.

5 Deep Dive – Commercial Update – paper GBF&GP19/1006

Becky Farley, Commercial Director, joined the meeting to present the item which updated the Committee on the financial position of the Commercial Team and explained how the future commercial strategy for 2020/21 academic year will evolve in light of the adaptations required because of Covid-19.

She explained the challenges but also the impact of Covid-19 on the ability to generate income and support work experience hours for students. Members noted the excellent volunteering work and opportunities that had been taken forward during the lockdown and the huge support for the local community.

B Farley reported on how the situation had led to increased relationship building with local stakeholders and opportunities to increase work experience hours for students going forward. Members challenged the target for work experience hours which they felt had to be stretched whilst remaining realistic. With the uncertainty of the future, members were concerned this target of 15,000 hours was too high. B Farley was confident that with the plans for 2020/21, the target

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for work experience hours will be possible with an increase in the curriculum areas and facilities being used.

Members noted how the staff and facilities had adapted to provide local support such as food banks and cooking donated food for Age UK and Street Angels. New relationships have been formed with stakeholders and awareness of the College had been raised. B Farley reported that some facilities are re-opening as guidelines change and areas can be opened safely but the College aims to continue this support throughout the summer period and beyond. The experience of the staff has been positive and contributed to their wellbeing during this difficult period.

Members asked for future plans and were informed that the adjusted action plan for recovery for the start of 2020/21 academic year will include a volunteering strategy. The budget remains as planned in April 2020 with the aim to breakeven by the end of 2020/21. Covid-19 has impacted on the previous ambition to be delivering an income this year but it has also provided many new opportunities and a change in vision, which are being discussed with curriculum teams and student engagement officers.

Members asked how the closure has impacted the rental income and M Peat explained that 'rent holidays' had been put in place resulting in three months of lost income but new rent agreements are being discussed for the re-opening as tenants return.

Members thanked B Farley for the presentation and looked forward to further updates.

B Farley left the meeting.

6 HR Update – Paper GBF&GP19/1007

Ian Johnston, Director of HR and Sarah Mott joined the meeting to present the report. This included the annual reports as well as a general update. The reports highlighted:

- Current turnover is 25.54% down from 28.16% in February 2020 and voluntary turnover is 17.39%, a reduction of 3.01% in the same period. Members challenged the rate and were reminded that it is a rolling rate and will include the redundancies in year. A discussion took place regarding the factors that can impact turnover and the plans to improve the rate. Members strongly recommended action was taken as this is an ongoing concern.
- The average days lost has increased from 7.71 days per person to 7.83, however sickness peaked at 8.08 days per person, prior to lockdown. Members noted that these figures will be impacted by Covid-19 and will change once the College re-opens. They noted that if leavers were removed, days lost would improve to 6.48 days per person.
- Exit interview responses remain slightly above our target of 70% at 75%, up just over 3% since last reported.

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- The Staff Survey report was enclosed and provided full details of the summary provided in February 2020. Members felt the results needed analysis by department for targeted action. They discussed some of the free comments. Members were reminded of the process and the ownership of the survey by the Staff Forum. Members were assured by the high response rate. Members were encouraged to speak to staff and the Senior team about the results.
- Gender Pay & Equal Pay Reports show significant progress since last reported. It was noted that the timing of the reports was different to previous years and therefore comparison was difficult. Members were also informed of how the Management Spine salary grades impact these reports and the plans to remodel the salary boundaries to ensure the correct salary is given for each position. Members were reminded that the remodelling of the lowest three grades to ensure the living wage, has impacted on the reports.
- The staff Equality Diversity & Inclusion (ED&I) Report was discussed. Members challenged whether the establishment reflected the demographic. They were informed that local E&D data is not available but will be gained by the 2021 census. The ED&I Committee will be reviewing this going forward. Members challenged the BAME data regarding senior management and were concerned with the lack of BAME role models. Members were assured that the College are aware of this and have plans through the Aspiring Managers course and L&D coaching/mentor schemes to address this.
- The revised and new employment policies were included for review and noted with no comments or concerns. These include Homeworking, Temporary Changes and a guidance note agreed with UCU on how the College will lift the lockdown. HR reported on the significant support being given to staff to return to work.
- The Staff Health & Wellbeing Guidance was discussed. Members noted the increased number accessing the support but were mindful that awareness of the service has been raised in the current situation. The College is helping staff, help themselves with a balance of awareness and support.

Members thanked HR for the comprehensive update.

Ian Johnston and Sarah Mott left the meeting

Andy Start left the meeting

7 Draft Management Accounts to the end of May 2020 Paper GBF&GP19/1008

Martin Peat introduced the MKC and the MKCTS draft management accounts to the end of May 2020. The Sector and College impact of the Covid-19 pandemic was also updated in the commentary to the accounts.

This item was minuted as confidential.

Members **accepted** the accounts and thanked M Peat.

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8 Proposed Budget for 2020/21 including the Two Year Financial Forecast for MKC & MKCTS – Paper GBF&GP19/1009

Martin Peat presented the draft Group Budget, including separate budgets for the College and MKCTS for 2019/20 and associated College budget commentary. The Committee was requested to approve and recommend the College budget for 2020/21.

[This item was minuted as confidential.](#)

Members thanked M Peat and **accepted** the Budget for **recommendation** to the Governing Body.

9 Policies for approval

Environmental & Sustainability Policy - Paper GBF&GP19/1010 – Martin Peat presented the policy for approval on behalf of the author. Members noted that this policy had been updated and sustainability is a focus moving forward with plans to include students in recycling projects and external partnerships to decrease the Colleges carbon footprint.

Members **approved** the policy for recommendation to the Governing Body.
Action: C Reeves.

Financial Regulations & Procedures – Paper GBF&GP19/1011 - Martin Peat presented the Group Financial Regulations for recommendation for approval. The paper was presented in tracked changes and members were reminded that following the request at the last meeting, the Financial Regulations had been updated to clarify that they are the Group regulations and cover MKCTS.

The section on authorisations has also been updated following discussion with the Committee to clarify that the authorisation is for order/commitments and the various levels of authority. This also includes MKCTS approvals.

Members noted that the policy had not yet been approved by the MKCTS Board and therefore agreed to **bring forward** to the next F&GP Committee meeting when this approval had been gained. Members noted that the policy is not published externally and the current policy is fit for purpose until the new version is approved.

Action: M Peat

Update from Standing Items:

10 Contracted Out Provision - Paper GBF&GP19/1012.

Martin Peat introduced the paper which provided Governors with an update on the activities of the contracted out partnership delivery for 2019-2020.

Members noted Annex B which illustrated the performance to date. The data is based on the R10 return which covers performance until 31 May 2020. The forecast income was based on the progress that was made between R10 and Year End in 2018/19.

M Peat reminded the Committee that the only subcontractor was Mainstream and the relationship has worked well during the current situation.

Members **accepted** the report.

11 Estates & Facilities MLPs - Paper GBF&GP19/1013

Members reviewed and **noted** the MLPs.

12 Risk Register Review

Members agreed that the financial risks had been covering in the meeting papers and no amendments were required.

13 Annual Review of Terms of Reference – Paper GBF&GP19/1014

In line with good practice, members reviewed their Terms of Reference as part of their self-assessment with one minor amendment was noted in tracked changes.

Members also noted that the membership requirement for two financially qualified members is currently being addressed with an Executive Search due to finish on 10 August 2020.

Members **agreed** the above amendments and will **recommend** the terms of reference to the Governing Body for approval at their July meeting.

Action: C Reeves

14 Committee Self-assessment & Improvement plan for 2020/21 – Paper GBF&GP19/1015

Members noted that self-assessment is a vital part of the Committee’s cycle of business to assure the Governing Body and informs the GSAR that the Committee is carrying out its duties. The item was presented as an opportunity for members to add their thoughts for further improvements and areas of strength to the table. Members agree the following amendments:

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Strengths:

- Continuity of Committee business during a difficult time with membership.

Improvements noted and added:

- Leadership from the Committee in decisive recommendations to the Board.
- Succession Planning for Chairmanship – this requires urgent action

Following this discussion it was agreed that the Chairman and Clerk will finalise the improvement plan for 2020/21 for **recommendation** and Governing Body approval.

Action: Clerk/C Reeves

15 Any Other Business

Draft agenda for September 2020 – agreed in principle for review by the Chairman nearer the meeting.

Digital Investment for Teaching & Learning – C Hare informed the members of the proposal in principle to invest in digital support for students and briefly explained the options. Members challenged the timeliness of the request but were mindful that this had occurred due to Covid-19 and swift action was required. They requested more detail outside the meeting and agreed the investment should be flagged to the Governing Body in the Budget item.

16 Date of Next Meeting

The next meeting is scheduled for Wednesday 23 September 2020 at 5pm. The Chairman noted he may not be in the country so the meeting date may need to be amended.

The meeting closed at 19.39.

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