



MidKent College

GOVERNING BODY

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held on Thursday 2 March 2023 at 17.00hrs on Teams.

Present:

Miss A Currie	Chair
Mr M Cook	GB Chair
Mr S Cook	Principal/CEO
Mr D Gagie	
Ms A Orhiere	
Mr M Prentis	Co-opted
Mrs M Quadri	

In attendance:	Ms C Burkin	Clerk to the Governing Body
	Mr C Hare	Executive Director of Employers & Corporate Services
	Mr W Herring	HR for Item 5
	Mr P Hogben	ICT item 6
	Dr J Mawby	Executive Director of Curriculum & Quality for item 9
	Mr M Peat	Executive Director of Finance & Estates
	Mr C Reeves	QTL Committee Chair - Observing

1 Declarations of Interest

The members' interests are numbered and referenced on the Declaration of Interest log which can be obtained from the Clerk.

2 Apologies for Absence

No apologies were received.

Welcome to new member Mo Quadri, Mike Prentis as co-opted member and Chris Reeves, QTL Committee Chair, observing.

3 Minutes of the meeting held on 10 November 2022 – Paper GBF&R22/1134 and confidential minutes GBF&R22/1134a.

The minutes of the meeting held on 10 November 2022 were accepted as a true record and electronically signed by the Chair.

4 Matters Arising and Outstanding Matters Report – Paper GBF&R22/1135

Members discussed the Outstanding Matters Report.

No 1. Progress on sustainability at MKC - business case - included in Sustainability item 11. **Complete**

No 2. Concern re overlap with QTL Committee - agreed to invite Committee members to relevant items on the agenda. **Complete.**

No 3. Governance Project Group - It was requested that Terms of Reference for the Group with clear expectations and time commitment, as circulate to members before a decision is made. **Complete.**

No 4. HR - impact of sickness on the establishment – in report. **Complete.**

No 5. HR - Whistleblowing Policy – agreed by Governing Body. **Complete.**

No 6. Policies for approval – agreed by Governing Body. **Complete.**

No 7. Investment Fund Update - M Peat to discuss and gain advice on the current amounts from Charles Stanley before these are set in the Policy. **Complete.**

No 8. Investment Fund Update - Members noted that once the fund is opened, a meeting is to be arranged with the Chair of F&R and the Exec Director of Finance and Estates with Charles Stanley – Members asked Mike Prentis to consider being the Lead Governor for investment and report back to the Chair. **Ongoing**

5 HR Update - CPD and Industrial Updating – Paper GBF&R22/1136

Wade Herring joined the meeting to present the papers on behalf of HR which included a focus on how the College is approaching CPD and Industrial CPD.

The following was highlighted and discussed:

- MLPs as of 31/1/23 – noted.
- Mandatory Training – members discussed and were assured by the College approach to any outstanding training.
- Sickness Days & Turnover – members requested comparative data and were informed that national data is available from the AOC. It was reported that the College is in a similar position to the rest of the sector.
- The national and College picture. Members discussed the continued post pandemic impact on absence, leavers and labour market. They were assured by the actions taken by the College but noted the challenges.
- Lunch & Learn sessions – short course for staff including leadership Styles, Power BI Success, Retention & QAR, Autonomy, External Local Context Workforce Data, Change Management, Respect-Value-Trust, H&S and EDI.

Members discuss the policies for approval:

Staff Code of Conduct Policy - GBF&R22/1141c - W Herring explained a new section 7 had been added to reflect changes to KCSIE. **Approved.**

Transgender Equality Policy - GBF&R22/1141d - New policy introduced to provide support for staff. **Approved.**

Members thanked W Herring for the update, and [he left the meeting.](#)

6 ICT Digital Operation Plan Review – Paper GBF&R22/1137

Paul Hogben joined the meeting to present the paper which provided an update on the progress of the Digital Operational Plan and details of the further planned developments in digital transformation.

Members noted the development of support and growth over the next 3-5 years including an upgrade of Wi-Fi to benefit all students. They discussed the Colleges process regarding data breaches, threats and outage. All of which are covered in the business continuity plans and tested regularly.

Members also noted:

- Greater business efficiencies through effective use of technology.
- Increase digital inclusion for all students.
- Establishing a single VLE (Virtual Learning Environment) solution.
- Centralised resource of laptop replacement, upgrade and lockers. Members were informed of a large project to recycle laptops working with a local business.
- OneDrive training for Governors – a video will be circulated and 1:1 sessions offered.

Action: P Hogben/Clerk

Members thanks P Hogben for the update and [he left the meeting.](#)

7 Draft Management Accounts to the end of January 2023

Martin Peat introduced paper GBF&R22/1138, the MKC draft management accounts and the MKCTS draft management accounts to the end of January 2023.

[This was minuted as confidential.](#)

Members accepted the accounts and thanked M Peat.

8 Deep Dive - Inflation Implications Review - Paper GBF&R22/1139

Martin Peat introduced the paper which informed the Committee of the potential financial implications of the impact of inflation. He highlighted the following points:

- Inflation is currently still around 10% and whilst is expected to be past the peak it is not anticipated to return to the target levels in the near future.
- Non-pay costs have been reviewed and some estimates made as to potential increments to attempt to predict the inflationary impact over the next two years.
- Pay-costs are in the College's control but there are external factors to consider.
- Some large increases have been experienced such as construction material, which have been taken into account.
- Energy costs remains the main concern and significant increases, way above average inflation rates, for. M Peat emphasised the future impact of significant rises in energy costs but pointed the longer-term benefits of reducing the college's energy costs through its investment in self-generated energy, Thus, although this is a sector wide issue and somewhat out of the College's control, MidKent College's embarking on a major decarbonisation project will potentially eliminate these costs from March 2025.
- The best estimate is that the College will see inflationary increases over the non-pay costs in excess of £1m next year.

Members thanked M Peat for the update and for managing the risk.

Chris Reeves and Jim Mawby joined the meeting.

9 Business Plan for the Medway School of Arts (MSoA) – Paper GBF&R22/1140

Jim Mawby, Exec Director of Curriculum and Quality, joined the meeting to present the paper requesting approval for the commencement of and investment into, the Medway School of Arts project. He used some explanatory slides (Appendix B).

He explained the rationale for provision, including market opportunities, local need, stakeholder engagement, income and expenditure predictions and analysis over five-year period (the duration of the initial premises lease until break), and suggested time frame for assessment of material success and continued viability). He explained the opportunities to work with the local creative areas and Universities and how engaged the College staff were in this opportunity for growth.

Members challenged J Mawby regarding the proposed location and the risk of it being outgrown within two years, discussing the risks involved as well as the opportunities. They noted that alternative locations are being considered. The use of the University at Medway accommodation is also being explored. The Committee held a robust discussion and J Mawby assured members that their concerns would be fully taken into account.

Members noted that the QTL Committee had scrutinised and agreed the business case for this area of growth within the curriculum. This provision is not being provided by any other organisation in the area and with the College's links with the Universities, it gives the Students a unique opportunity.

Members agreed to recommend to the Governing Body an initial investment of £1m provided that a thorough risk-based stress testing of the figures by J Mawby and M Peat would also be presented to the Board within the proposed business case. They were asked to report back to the Chair before the Governing Body meeting on 23 March 2023. Members noted that the money will be drawn from the Investment Fund and therefore allowed a higher level of risk.

Action: J Mawby/M Peat

Members thanked J Mawby for the update, and [he left the meeting](#).

10 Policies for approval:

- a) Group Financial Regulations and Procedures 2023/24 - GBF&R22/1141a - changes: Committee name to Finances and Resources from F&GP and some job title amended to the current organisation. The section on fixed assets has been updated to reflect the accounting changes requested by the auditors. No other changes were deemed necessary this year following the review. **Approved.**
- b) Procurement Policy 2023/24 (amended as requested) - GBF&R22/1141b - The main area of update - the due diligence checking for new suppliers where this has been strengthened to produce a new supplier assessment form for checking prior to approval. With recent significant price increase, meaning more order requests are requiring a full tender process, it is recommended to increase the tender limit from £50k to £75k. Three quotes would still be required up to this limit, so pricing is still checked. Members discussed and agreed a tender limit of £100k subject to compassion levels with other Colleges. They agreed this could be reported to the Chair. **Approved.**
- c) Staff Code of Conduct Policy - GBF&R22/1141c - new section 7 added to reflect changes to KCSIE. **Approved** under the HR item.
- d) Transgender Equality Policy - GBF&R22/1141d - New policy introduced to provide support for staff. **Approved** under the HR item.

Action: Chair to recommend to Governing Body

Update from Standing Items:

11 Progress on sustainability at MKC – Paper GBF&R22/1142

Martin Peat introduced the update to members.

He reported that the College had been successful in being awarded a Salix grant of £5m with £3m to be spent by 31 March 2024 and £2m by 31 March 2025. This has enabled the College to progress towards its target to be carbon neutral by 2030.

Members noted the focus on the decarbonisation project to remove the gas boilers and generate all electricity on site from 2025, with excellent progress

being made. The Sustainability Governance Board has been set up to oversee the detail and approval process.

Members also noted the vertical solar panels at Medway have been added to the feasibility study.

Members thanked M Peat for the update and excellent progress with these projects.

12 Investment Fund Update – Paper GBF&R22/1143

Martin Peat introduced the update and asked members to note the report, investment portfolio and performance to date. Members noted the key points:

- To date £9m has been invested into the Charles Stanley held account.
- The second £8m tranche is due to be transferred when the funds are 95% invested from the first amount.
- The final £8m will be transferred once the second tranche is 95% invested.
- This is a long-term investment of a term of 5 years or more.
- A total of £6.9m had been invested and £2.1m cash remained.
- The Medway School of Arts is included in the reserves.

Members thanked M Peat for the update.

13 Risk Register Review

Martin Peat ensured members that the financial risks are covered in the risk register and are monitored regularly. The full Risk Register is available to Governors on Board Intelligence. The commentary to the accounts highlighted any areas of risk directly related to the forecast and potential impact on future funding.

Members noted that the Medway School of Arts needs to be added to the risk register.

Action: M Peat

14 Any Other Business

The agenda for 4 May 2023 was agreed.

Members reflected on the meeting and agreed it was a good opportunity for discussion and scrutiny.

15 Date of Next Meeting

The next meeting is scheduled for Thursday 4 May 2023 at 5pm on Teams.

The meeting closed at 19.13.