



MidKent College

GOVERNING BODY

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held on Tuesday 9 May 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 W Herring	HR for item 5
	Dr J Mawby	Exec Director for Curriculum items 7&9
	Mr M Peat	Exec Director of Finance & Estates

1 Declarations of Interest

The members' interests are numbered and referenced on the Declaration of Interest log which can be obtained from the Clerk. S Cook declared an interest in item 9 as he is an Ambassador for the Dockyard.

2 Apologies for Absence

Apologies were received from Mr C Hare, Executive Director of Employers & Corporate Services.

3 Minutes of the meeting held on 2 March 2023

The minutes of the meeting held on 2 March 2023, Paper GBF&R22/1144, and confidential minutes were accepted as a true record and electronically signed by the Chair.

4 Matters Arising and Outstanding Matters Report - Paper GBF&R22/1145

Members discussed the Outstanding Matters Report.

- No 1. Investment Fund - Mike Prentis has agreed to be the Lead Governor and has met with Charles Stanley. **Complete**
- No 2. ICT Digital Operation Plan Review - OneDrive training for Governors is being prepared as a video and will be circulated to Governors once available. **Ongoing.**
- No 3. Draft Management Accounts to the end of January 2023 - Members requested demographic and growth data to help this discussion. Included in item 6 – **Complete.**
- No 4. Business Plan for the Medway School of Arts (MSoA) - business case to show capital investment and the deficit in the first two years and report back – **Complete.**
- No 5. Policies for approval – all approved by the Governing Body - **Complete**
- No 6. Risk Register Review - Medway School of Arts (MSoA) to be added – **Complete.**

5 HR MLPs Update & focus on Succession Planning – Paper GBF&R22/1146

Wade Herring presented the paper and highlighted the key points from the following sections of the report:

- Mandatory training – compliance has been affected by the change in training platform due to a down period of two weeks. Members noted that this as a matter of serious concern and would expect to see a significant improvement by the next Committee given the priority within the College,
- Workforce data – Establishment shows a reduction in FTE year on year with a gender split in line with the sectors national picture.
- Leaver's data – analysis showed various reasons for leaving and members asked for further analysis to see if any patterns are emerging in particular areas and requested a broader summary report with a split between support and teaching staff.

Action: W Herring

Focus - Succession planning:

- Areas of risk due to retirement – the report showed no immediate risk, but that planning is required over the next 3-5 years. Members noted the higher risk in the Apprenticeship area and asked for regular updates in the HR report.

Action: W Herring

- Schemes and programmes - the College has several internal schemes including Train to Teach to develop staff into teaching. Members gained assurance that at a recent visit to the College, a Governor experienced an excellent class taught by a member of staff who had been through the training.

The College has also had success with the Aspiring Managers course where staff have gained promotion within the organisation. The College is encouraging more teaching staff to participate on this course. Members asked that the College also explore all external options.

Members **noted** the report and thanked W Herring who left the meeting.

6 Draft Management Accounts to the end of March 2023 - GBF&R22/1147(a)

Martin Peat introduced paper GBF&R22/1147, the MKC draft management accounts and the MKCTS draft management accounts to the end of March 2023.

This item was minuted as confidential due to the contents.

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

Jim Mawby joined the meeting.

7 Outline Budget for 2023/24 & Business Planning Update – Paper GBF&R22/1148

Martin Peat introduced the paper which informed the Committee of the main business planning assumptions and the main changes in financial aspects for the budget for 2023/24. Members noted this was a position statement in preparation for the final budget at the next meeting.

M Peat and J Mawby explained the following points for discussion:

- The business planning cycle is in its final approval stage and has informed an outline budget. Members noted that the budget does not include anything above the allocation and were reminded of the lagged funding from the ESFA.
- The budget timeline is on track.
- Early indication of the expected factors which are affecting the 2023/24 financial position. Members noted the significant differences due to pay costs, inflation and energy costs and the actions the College is undertaking to mitigate these where possible.
- Indication of the importance of the business planning growth in terms of future income and additional teaching cost. Members challenged the confidence of the growth in student numbers. They noted that further scrutiny will take place at the QTL Committee, which all members are welcome to observe. J Mawby explained that the numbers are based on new markets and progression with several areas of growth, such as A levels, progression and supported learning. He gave some assurance that the numbers are realistic. Members asked that they the final budget includes details of the growth areas.

Action: J Mawby

Members also requested the following in the final budget paper:

- Any additional costs due to reviews such as ALS.
- Capital position.

- Clear cash position.
- FEC support.
- Concise report – not too many examples.

Members were reminded that the Exec team are available to answer any question or discuss comments before the final budget is presented to the Governing Body so the Board can gain assurance from the Committee that it has been fully discussed and scrutinised.

Members **noted** the outline budget and look forward to the final budget at the next meeting.

Action: M Peat

8 Estates Strategy Update – Paper GBF&R22/1149

Martin Peat introduced the paper which informed the Committee of the current position regarding the Estates Strategy.

He explained that the College had appointed a consultant to assist in creating a new Estates Strategy, but their work was not considered to be of sufficient standard to continue. As there is now more guidance available to colleges, the Executive team (Exec) are reviewing a proforma document supplied by the FE Commissioner team and AOC and will be working as a team to complete the draft Estates Strategy, as sufficient work has been undertaken internally to inform the Strategy.

The Curriculum space and location changes have been agreed with Exec and plans for these changes are underway. It was noted that it is very important the College completes the Strategy urgently and will be given a priority for completion by the end of June 2023.

Action: Exec

Members thanked M Peat for the update and stressed the importance of having this completed by the end of June.

9 Medway School of Arts Update – Paper GBF&R22/1150

Jim Mawby and Martin Peat presented the paper which gave members an update on progress to date. Members noted and discussed the following:

- There were no major changes to the financial plan, the only known revision was the rent and service charge which have reduced slightly following the revised Heads of Terms received from the Dockyard. Any other changes, once known will be reported at future meetings. Members noted that S Cook had declared an interest at this point and was not involved in these negotiations.
- Appointment of the lawyers is complete, and appointment of the architects is agreed, subject to a fee proposal. Members noted architects have previously worked on the building so are best placed to compete the required works.

- Good progress has been made in the approval of the curriculum offer for September 2023 and the validation process for degree qualifications is underway.

Members thanked J Mawby and M Peat for the update. They noted that the risks associated with the project have been added to the strategic risk register monitored by the GR&A Committee. Both committees will continue to receive updates related to their remit.

Jim Mawby left the meeting.

10 Policy Review: Modern Slavery & Human Trafficking Statement 2023/24 – Paper - GBF&R22/1151

Martin Peat presented the updated statement for approval.

Members were reminded that the College produces an annual statement in respect of modern slavery and human trafficking for approval by the Committee and recommendation to the Governing Body.

Members **approved** the statement for **recommendation** to the Governing Body.

Action: A Currie

Update from Standing Items:

11 Progress on sustainability at MKC – Paper GBF&R22/1152

Martin Peat introduced the decarbonisation project paper.

The updated report focussed on the decarbonisation project to replace the use of the gas boilers for the heating and hot water supply and to in addition generate all electricity on site from 2025. Members noted excellent progress is being made with this project and a Sustainability Governance Board has been set up and met to oversee the detail and approval process.

M Peat informed members that he is exploring the VAT related matters and a Special Purpose Vehicle (SPV) is being considered. He is gaining the required advice and will report back to the Committee.

Action: M Peat

Members thanked M Peat and **noted** the update.

Ade Orhiere left the meeting.

12 Estates & Facilities Update - Paper GBF&R22/1153

Martin Peat introduced paper which gave a brief update on works being undertaken or completed.

Key items to note where the opening of the Skills Factory at Maidstone and the continued progress with the Institute of Technology.

Members noted three capital grants received by the College and the work these will enable to be undertaken.

Members thanked M Peat and **noted** the update.

13 Investment Strategy Update – Paper GBF&R22/1154

Mike Prentis introduced the paper and updated members on the Investment Portfolio managed by Charles Stanley. They highlighted the following points.

- To date £9m has been invested by Charles Stanley.
- The second £8m tranche was transferred to Charles Stanley on the 12 April 2023.
- The portfolio as at 31 March 2023 was set out in the statement.

Members discussed the performance but agreed it was too early to assess and would review within the first year. They agreed the third tranche can be transferred as planned.

Action: M Peat

It was highlighted that the reports from Charles Stanley are received quarterly and will be reported to the relevant F&R Committee meeting within the cycle. Therefore, there will be no update at the next meeting.

Members thanked M Prentis and **noted** the update.

14 Gifts and Gratuities Annual Update – Paper GBF&R22/1155

Members were reminded that it is a requirement that the register is annually reported to the F&R Committee and the register includes chargeable events and items exceeding £50 that have been received by members of staff at MidKent College and MKCTS since last reported.

Members reviewed the Gifts and Gratuities Register which included the following items for 2022/23:

- S Cook – Trafalgar Night celebration
- H Hook – Prize of a hamper
- S Cook – Lunch with FEA

Members **noted** the entries.

15 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.

16 Any Other Business

The agenda for 22 June 2023 was agreed with the following amendments:

- More time to be allowed for the Budget item.
- Remove Medway School of Arts if there are no updates.
- Remove investment item as agreed above.
- Move HR later on the agenda.

Members reflected on the meeting which ran well to time but allowed for scrutiny and discussion. The Chair agreed to follow up some presentation feedback outside the meeting.

17 Date of Next Meeting

The next meeting will be held on Thursday 27 June 2023 (moved for the 22/6/23) at 5pm on Teams.

The meeting closed at 18.57.