



**MidKent College**

**GOVERNING BODY**

**FINANCE AND RESOURCES COMMITTEE**

Minutes of the meeting of the Finance and Resources Committee held on Thursday 26 February 2025 at 17.00hrs on Teams.

**Present:**

Ms A Orhiere	Chair for this meeting
Mr S Cook	Principal/CEO
Mr S Hardie	
Mr S Jackson	
Mr M Prentis	

**In attendance:**

Ms C Burkin	Clerk to the Governing Body
Mr C Hare	Executive Director of Employers & Corporate Services & Deputy CEO
Ms A Bowman	HR for item 5
Dr J Mawby	Item 7
Mr O Omomehin	Student Governor
Mr M Peat	Executive Director of Finance & Estates
Mrs J Thompson	HR for Item 5

**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**

Apologies were received from Alison Currie and Mo Quadri

It was agreed that Ade Orhiere would Chair the meeting.

The Chair welcomed Stuart Hardie to the Committee as a new member.

**3 Minutes of the meeting held on 20 November 2024**

The minutes and confidential minutes of the meeting held on 20 November 2024, Paper GBF&R24/1238, were accepted by the Committee as a true record.

**4 Matters Arising and Outstanding Matters Report**

Members discussed Paper GBF&R24/1239, the Outstanding Matters Report.

No 1. Estates Strategy Refresh – item 9. **Complete**

No 2. People Services Team Update - Members requested that the retention data includes length of service – Item 5 – **Complete**.

No 3. Medway School of Arts – Business Case Update – update as item 7 - **Complete**

**5 People Services Team Update – focus on Recruitment – Paper GBF&R24/1240**

[Julia Thompson and Andea Bowman joined the meeting](#) to present the paper which focused on Recruitment. They highlighted:

- Current trends and metrics evidence the College are fairing well, however, challenges remain in some key areas.
- The proposals agreed last year are now well established and new proposals, including introduction of the new recruitment officer and use of new systems, are having positive results.
- Retention overall is the lowest in ten years, however, the difficult to fill areas are also with retention. Members discussed the actions being taken the difficult to fill areas including working with managers to ensure the quality of recruitment.

They also presented the latest MLPs and data highlighting:

- Mandatory training is at 100% compliance
- Induction for new staff within 14 days sits at 91.86%
- Voluntary turnover is at a ten year low of 10.31% due to initiatives around staff wellbeing and a changed culture
- Absence is up year on year at 9.84% but reflects national statistics
- Exit interviews, initiative to look at ‘staying’ interviews through staff voice and pulse surveys. Members requested information regarding reasons for leaving and internal progression.

**Action: J Thompson to include in the next paper**

Members thanks J Thompson and A Bowman for the update and they left the meeting.

## 6 Deep Dive - ICT Investment Review (2024) & Three-Year Investment Plan - GBF&R24/1241

Paul Hogben joined the meeting to present the paper which informed members of the following:

- Five-year historic information
- Current financial year update
- Three-year ICT horizon scanning

Members noted the current position and plans for the future, recognising that ICT act as an enabler for the curriculum to meet the needs of the College by providing the infrastructure required.

They noted the life cycle of equipment and the demands of the next five years to ensure the College can provide what is required for the current and future students.

Members thanked P Hogben for the update and he left the meeting.

## 7 MSA Business Case Update – Paper GBF&R24/1242

Jim Mawby joined the meeting to present the revised forecast with Martin Peat.

J Mawby explained that the student numbers presented at the last F&R Committee have not changed but show a slowed assumption from the original budget and reflect the latest knowledge of recruitment and course offering.

Members noted the following changes had been made to revise the financial assumptions:

- The tuition fee income had been changed to reflect an increase in fee from £6k to £7k from 2026 as confirmation has been received that the College is able to reflect the awarding university fees as a cap.
- The *average salary of the tutors had been reduced in line with actual salaries were possible, in the previous version the top of the scale costs were used.*
- Validation fees had been changed in line with the actual costs i.e. 20% of the tuition fee.

They explained that all other costs had been reviewed, and best estimates had been used following the knowledge of the property and actual costs incurred for the first 2 years. The resulting deficit reduced to £117k in 2027/28 and thereafter is expected to breakeven and then produce a modest surplus with a cumulative deficit by 2027/28 is £3.1m. The pay costs are low in relation to income at 42%, however the relatively high rent and service charges are fixed for the term of the lease.

Members challenged the student numbers but recognised that MSA is building as a brand which will take time to reflect in numbers and income. Increased

marketing is in place with positive feedback locally. They also noted the difference in recruitment as students will be applying through UCAS as this is HR provision. J Mawby explained how progressing student number will build in future years.

Members also challenged the staffing costs and were assured that the degrees are modular to maximise resources. J Mawby reported the MSA is well resourced and just needs time to build the brand.

Members thanked J Mawby and M Peat for the report.

**8 Draft Management Accounts to the end of January 2025 - Paper No GBF&F24/1243**

Martin Peat introduced the MKC draft management accounts and the MKCTS draft management accounts to the end of January 2025.

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

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

**9 Estates Strategy Refresh – Paper GBF&R24/1244**

Martin Peat introduced the paper which outlined the changes to the refreshed Estates Strategy. The Strategy had been co-authored with Steve Smith, the College appointed estates consultant.

M Peat explained that the Exec team had been reviewing options for growth, particularly at the Maidstone campus and the revised version reflects potential solutions to develop the campus to accommodate anticipated growth. He explained that Exec are working on feasibility studies and costings for various options including a capital plan options appraisal for the growth at Maidstone. Member felt this could be a topic for a deep dive at a future meeting.

**Action: M Peat**

Amendments had been made to reflect the current curriculum strategy and for changes that either correct or update previous thinking. Members noted this is a refresh rather than a rewrite; the previous version was only agreed last year and most of the strategy is still current. M Peat explained that the appendices are available on request as they are large documents.

Members noted the changes made, thanked M Peat for the update and **approved** the refresh of the Estates Strategy.

**10 Policies for Review - Paper GBF&R24/1245**

Martin Peat introduced the paper explaining that the Group Financial Regulations had been reviewed and updated.

He highlighted the amendments which had been made to ensure the policy captured the changes required as a result of the ONS review and classification of the FE sector. Members noted that with the demise of the ESFA, this has been changed throughout to the DFE. Other minor changes had been made to ensure current titles etc are up to date.

Additional regulations had been included to cover:

- A contents page
- Treasury Management (in brief as covered by the investment policies but need to cover borrowing)
- The sale and disposal of fixed assets

Members thanked M Peat for the update and **approved** the policy for recommendation to the Governing Body.

**Action: Chair**

## 11 Decarbonisation Project Update – Paper GBF&R24/1246

Martin Peat introduced the paper. He explained there had been some delays to the project, and members noted the impacts on delivery and installation.

They noted the Salix grant remained with no issues to report even with a delay to the final drawdown. The budget required an increase due in part to cost related to delays but also due to a change in solar contractor and amendments to the plant rooms which are required to electrify the domestic hot water systems.

M Peat informed members of the progress being made on the potential for a VAT reclaim with an outcome expected by the end of March 2025. The project remained on track to provide the desired outcome and a healthy return on investment at around 12 years payback.

Members **agreed** the additional budget requested of a total of £640k which includes contingencies for all known potential variances to completion.

Members thanked M Peat and his team.

## 12 Investment Strategy Update - Paper GBF&R24/1247

Mike Prentis and Martin Peat introduced paper which informed members that as of 31 December 2024 the original investment had increased.

They agreed that investment company were performing well with a cautious approach and would be reviewed in year three. In the meantime, the Committee requested a comparison with the interest that would have been received from the bank.

**Action: M Peat**

Members thanked M Peat and noted the update.

**Standing items received for information:**

**13 Risk Register Review – Paper GBF&R24/1248**

Martin Peat presented a list of risks relevant to the Committee. It was agreed these had been covered by the agenda items and papers presented.

No changes were required.

**14 Review of the meeting**

Members agreed the meeting had been useful with detailed discussion.

**15 Any Other Business**

Agenda for 7 May 2025 – members agreed the agenda with the following amendments:

- Remove MSA item
- Remove Investment item
- People Team report to include the details re reason for leaving
- Deep Dive - capital plan options appraisal for Maidstone growth in accommodation

There was no other AOB.

**16 Date of Next Meeting**

The next meeting will be held on 7 May 2025 on teams at 5pm.

The meeting closed at 19.00.