


# Minutes









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## Finance and Resources Committee

### Minutes

<b>Meeting Time and Date</b>	<b>1700 on 6 March 2024</b>
<b>Meeting Location</b>	<b>Zoom Online</b>
<b>Members</b>	Peter Doble (Chair)  Paulina Balogun Heather Barrett-Mold OBE  Peter Brammall (Principal)  Lorna Fitzjohn Mei Lim  Roger McClure  Joanne Roxburgh
<b>Observers</b>	James Bryan (HR)  Paul Smith (Finance)  Denise Lloyd (Academic)
<b>Minute Taker</b>	Joanne Coffey (Director of Governance) 
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	Action
<b>1. Welcome and Apologies</b>  1.1. Apologies were received for Paulina Balogun, Lorna Fitzjohn, Joanne Roxburgh and Denise Lloyd.	
<b>2. Declaration of Interests</b>  2.1. None.	
<b>3. Minutes (Decision)</b>  3.1. It was confirmed that some learners had been recruited for the Prince's Trust courses. The Principal to share an update at the next meeting.*  <b>Resolved to</b>  3.2. <b>Approve the minutes of the Finance and Resources Committee meeting held on 4 December 2023 as a correct record and authorise the Chair to sign them.</b>	<b>*Principal</b>
<b>4. Matters Arising</b>  <b><u>Forty Hall Farm</u></b>  4.1. Consultants had advised on rural payments/grants since the last Committee meeting and made proposals for support, together with fees, with some on a commission basis. A decision would be made, shortly, on 8 March.  4.2. Governors queried if the Farm's commercial activity was being considered as part of the full review of the Farm, currently in	

<p>process. This had been included as part of the overarching review about consultants and maximising grants which would be considered at the Strategy Day in March 2024.</p> <p><b><u>Staff Survey</u></b></p> <p>4.3. It was agreed that the matters relating to the staff survey could now be completed.</p> <p><b>Mei Lim joined the meeting.</b></p> <p><b><u>Fundraising Strategy</u></b></p> <p>4.4. Although a new commercial activities / fundraising plan had been issued, the Fundraising Strategy was pending.</p> <p>4.5. A new full time Fundraising Manager had been recruited to start in May 2024. The previous manager had been diverted to cover the needs of the Events Team and had now left the College.</p> <p>4.6. Governors noted that there was now strong potential to fundraise for the College, alongside the Patron and, former Principal, Stephen Dowbiggin.</p>	
<p><b>5. Report of the Deputy Principal (Information)</b></p> <p>5.1. Governors were encouraged to see that new 16-18 Applications for 2024-25 were tracking 12% ahead of the same time in the previous year. Adult applications were also tracking 42% ahead.</p> <p><b><u>Capital Grants</u></b></p> <p>5.2. Capital funding included T Level Funding of £1.5m which had been allocated to the Mottingham build.</p> <p>5.3. Scoping and condition surveys were being carried out to assess where else to allocate the, higher than anticipated, funding which would be further discussed at the Strategy Day.</p> <p><b><u>Student Attendance</u></b></p> <p>5.4. Governors reviewed the Balanced Scorecard and noted that attendance was at 83%, tracking at the same level as the previous year, but below the current year target.</p> <p>5.5. This low attendance rate could have been impacted by delays in processing withdrawals. Governors queried why the lagging issue had returned, given that it had been previously resolved.</p> <p>5.6. Although there were improved controls of when students were technically withdrawn from courses, and extra checking measures were in place, a long-term sickness absence from the Curriculum and MIS Team had affected the timing of data processing. The Deputy Principal was now monitoring how to mitigate for this issue.</p> <p>5.7. Governors queried if there was a link between attendance and achievement, that had been tested. No significant link had been found, based on the at-risk students, however, it was agreed that more testing would be considered.*</p>	<p><b>*Vice Principal</b></p>

<p>5.8. As discussed by the Academic Committee, it was key to demonstrate how low attendance was being tackled and record that these strategies were being carried out.</p> <p>5.9. It had also been discussed that travel constraints were a big issues for attendance at Capel, compared to local FE colleges whose cohort lived locally.</p> <p>5.10. Governors requested a more granular breakdown of reasons behind low attendance, to illustrate any patterns, to determine if any issues could be financially supported, or if they were national issues beyond College interventions.*</p> <p><b><u>Estates maintenance</u></b></p> <p>5.11. Governors were concerned about sewage found in the Carp pond. This had been due to maintenance lags which would now be more frequent.</p> <p><b><u>Audit reports</u></b></p> <p>5.12. The Internal Audit of Capital Projects received a Significant Assurance opinion (the auditor’s second highest).</p> <p>5.13. The Internal Audit of Student Recruitment received an interim Significant assessment, that controls were in place. The final opinion would be made in September 2024, following a full cycle.</p> <p>5.14. Governors felt that the regular mystery shopping strategies, by the auditors, were helpful and they were also assured by the positive feedback from the reports.</p> <p><b>James Bryan joined the meeting.</b></p> <p><b><u>Commercial Strategic Priorities</u></b></p> <p>5.15. Targets for the new Commercial manager was to gain better value/increased income from the existing facilities.</p> <p>5.16. A fundraising priorities paper would be presented at the next Committee meeting. This would facilitate a tiered fundraising support offer for High Net Worth Individuals (HNWI).*</p>	<p><b>*Vice Principal</b></p>
<p><b>6. P6 Six Month Management Accounts 31 January 2024 and Flex 2 Forecast (Decision)</b></p> <p>6.1. As at Period 6 (31 January 2024) the year to date (YTD) operating surplus was £119k versus a budget of Flex 1 YTD Forecast surplus of £302k.</p> <p>6.2. Income on apprenticeships, full cost courses and Farm income has been reduced (total of 201k). This had been offset by a projected decrease in staff costs versus Flex 1 (£130k) and an increase in bank interest (£57k).</p> <p>6.3. New initiatives and approaches funded by the surplus, to improve quality and attendance, recognised the need to balance these strategies against retaining Good financial health.</p>	<p><b>*Deputy Principal</b></p>

<p>6.4. The College's learner support funds had been increased to encourage attendance, by offering free breakfasts to students, which Governors supported.</p> <p>6.5. Improved MIS reporting had facilitated monitoring budget progress, by forecasting different funding streams.</p> <p>6.6. Budget review team meetings were now also in regular progress.</p> <p>6.7. Governors thanked the Deputy Principal for his work on the Management Accounts, and noted that regular production and circulation of the monthly management accounts was crucial to give confidence to the Board in the College's management of its finances.</p> <p><b><u>Mottingham</u></b></p> <p>6.8. The Mottingham build was on track to complete on time, with slippage being managed. Delays had been due to wet weather, planning approval delays, asbestos and knotweed removal/management.</p> <p>6.9. The budget was also on programme, apart from some IT and landscaping requirements which had not been factored in as an earlier requirement. These costs would be addressed as part of the review referred to in minute 1.3</p> <p>6.10. The new build can now be seen live on the website.</p> <p>6.11. The Mottingham Risk Register had been prudent by keeping most risks as high.</p> <p><b>Resolved to</b></p> <p>6.12. <b>Recommend that the Governing Body note the report on the Period 6 results and approve the Flex 2 Reforecast.</b></p>	<p><b>A: Governing Body (Appendix I)</b></p>
<p><b>7. Update on 2024-25 Budget Prospects (Decision)</b></p> <p>7.1. A draft 2024/25 forecast was presented which showed a surplus of £182k and an EBITDA of 3.11%.</p> <p>7.2. The National funding rates for 16-18 learners had been uplifted in 2024-25 which partly mitigated the previously projected large fall in income due to the 5% under-recruitment of 16-18 learners on 2023-24.</p> <p>7.3. The full year effects of the 2023-24 pay award and increased support staff pension costs together with a provision for the 2024-25 pay award meant that efficiency savings of £500k would be required to achieve the draft surplus; management time would now be spent on identifying where such savings could be made.</p> <p>7.4. It was agreed that the preference would be to take some reduction from the planned surplus rather than to cut resources that might be required to support quality improvements. Such a budget approach should still ensure that the College remains in 'Good' financial health i.e. with an EBITDA of more than 1%</p> <p>7.5. Curriculum planning was due to begin in March, with detailed budgeting taking place in April and resources being factored in, in</p>	<p><b>*Deputy</b></p>

<p>May. The final budget would come to this Committee in June. Governors requested that the budget timetable was circulated to the Committee.*</p> <p>7.6. Governor queried which staff saw the budget, as transparency was key to addressing any staff concerns and doubts.</p> <p>7.7. The Principal confirmed that the approved budget was used in briefings with staff and was also fed through to individual budget-holders. The balanced scorecard was also published for all staff to view.</p> <p>7.8. As the previous pay award paper had been shared with the Staff Council, which had built trust, the budget would also be shared with them.*</p> <p><b>Resolved to</b></p> <p>7.9. <b>Note the contents of the report and support, in principle, the realignment and restructuring of pay and non-pay costs in line with total income levels.</b></p>	<p><b>Principal (Completed)</b></p> <p><b>*HR</b></p>
<p><b>8. Report of the Human Resources Director (Information)</b></p> <p>8.1. The Principal Risk of a <i>failure to secure and retain an expert, motivated, high-performing workforce</i> had not yet been sufficiently mitigated against.</p> <p><b><u>Sickness absence</u></b></p> <p>8.2. Total days lost to sickness absence for the year-to-date was high at 1,664.59. Of that total, 374 days were teaching staff and 1290.59 days were business services staff, many of whom were student facing, such as practical instructors and learning support assistants.</p> <p>8.3. Total absence for 2022-23 was 3,257 days; around 12 days per FTE staff member, and just over twice the UK average (according to 2022 ONS data). The trend for 2023-24 indicated a total slightly above that.</p> <p>8.4. There were currently 5 staff members on long term sickness.</p> <p>8.5. Governors queried why business support staff had more sickness days. This was likely due to lower pay and prospects as de-motivators, rather than a lack of commitment to the students.</p> <p>8.6. The UK labour market had shifted since the pandemic. Expectations of workers were high and people appeared much more likely to report sick, resign, or simply remain economically inactive than before.</p> <p><b><u>Retention</u></b></p> <p>8.7. The volume of staff leaving the College continued to be a concern with the exit rate around one person every three days since 1 August 2023. Such high staff turnover rates were unsustainable and would inevitably have an impact on curriculum quality and cross-college performance.</p>	

<p>8.8. More needed to be done to make the College an attractive place to work and to retain staff once recruited. Work was underway to improve on-boarding and induction processes and harnessing data more effectively from exit interviews.</p> <p>8.9. Existing evidence suggested a higher than expected workload and low pay rates featured most regularly as reasons for leaving. The number of people leaving early in service, some within weeks of starting, was also a concern. None of this was out of line with the wider FE sector, post pandemic.</p> <p>8.10. Teaching staff who were yet to be qualified struggled the most with adapting to their new roles.</p> <p>8.11. Achievement was good considering the staffing issues, which was encouraging, however, it was clear that this could be elevated further with a stronger staffing culture.</p> <p>8.12. It was clear that the College could make better use of Artificial Intelligence (AI) to ease the load for teachers. AI could facilitate lesson planning, quizzes for quality assurance, etc., to make teaching more enjoyable, user friendly and less stressful.</p> <p>8.13. The recent pay award had been well received by staff and the College were about to launch more staff benefits to create a happier workplace, where people want to be.</p> <p><b><u>Recruitment</u></b></p> <p>8.14. On 31 January 2024, the College had 26 vacant posts (not FTE) being advertised; 13 teaching/academic, and 13 business services. Although the number of vacancies advertised had remained the same as the previous term, applications had increased by nearly 20%.</p> <p>8.15. From the 47 adverts, no appointment was made for 43% of the available roles.</p> <p>8.16. Inappropriate recruitment had sometimes been a historical issue due to a lack of suitable candidates.</p> <p>8.17. The challenge to recruit permanent teachers had led to student complaints about lack of consistency.</p> <p>8.18. Governors discussed the workforce data trend, where more full-time staff remained the Board's target. Post-pandemic, there had been more demand for part-time roles, although this was difficult to fulfil in most departments.</p> <p>8.19. There were also less online options for teachers, compared to business support, who expected to be able to work from home for part of the week.</p> <p>8.20. Governors queried how they could support staff recruitment. Keeping it high on all priority lists to remain vigilant, and to keep sharing ideas would be the best approach.</p> <p>8.21. The Executive Director of HR was thanked for the ongoing focus on recruitment and for the green shoots that were starting to show.</p>	
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<p><b><u>Employee Relations</u></b></p> <p>8.22. Casework had now reduced significantly, with 6 cases remaining live, which was more reflective of the size of the College.</p> <p>8.23. As concerns over middle managements' ability to address people management issues had been ongoing, a middle manager development programme had been planned for April 2024, to provide staff with the right tools to offer solutions.</p> <p>8.24. A tribunal was expected to go ahead in February 2025, which was a high financial risk due to the significant legal costs of managing the process.</p> <p>8.25. The College had attempted to provide sufficient evidence to the DfE to seek permission to settle the case, so to avoid a tribunal and that process was still ongoing.</p> <p><b><u>Gender Pay Gap</u></b></p> <p>8.26. On 31 March 2023, the College's mean gender pay gap was 3.33% and the median gender pay gap was 7.34%.</p> <p>8.27. The median gender pay gap for the UK was 14.3% (ONS, 2023).</p>	
<p><b>9. Financial Principal Risks (Decision)</b></p> <p>9.1. It was agreed to elevate the risk of staffing to 'red' to reflect the critical improvements required. This would be elevated in the next update and some of the other risks may be reduced.*</p> <p><b>Resolved to</b></p> <p>9.2. <b>Note and agrees to the Finance and Resources Principal Risks.</b></p>	<p><b>*Principal</b></p>
<p><b>10. Report of the Company Secretary (Information)</b></p> <p>10.1. The Committee received the minutes of the College's subsidiary companies: Capel Manor Limited, Enfield Veg Co and Forty Hall Community Vineyard, for information.</p> <p><b><u>Capel Manor Limited</u></b></p> <p>10.2. It was confirmed that Capel Manor Limited (CML) remained no longer trading and dormant, for greater transparency with Capel Manor College's accounts.</p> <p>10.3. A full review of the College's subsidiary companies was due to take place in 2024.</p> <p><b><u>Enfield Veg Co. Limited</u></b></p> <p>10.4. It was agreed to retain the limited company whilst a review of Forty Hall Farm took place.</p> <p><b><u>Forty Hall Community Vineyard Limited</u></b></p> <p>10.5. As projected, the Vineyard had an excellent 2023 harvest of just under 33 tonnes. This was deemed 'phenomenal' and a significantly higher yield than other English vineyards in 2023.</p>	



<p>10.6. A future harvest of 11 tonnes was projected for 2024.</p> <p>10.7. The stronger harvest had raised production and duty costs, which had been low for the previous two years.</p> <p>10.8. A cost-benefit analysis was planned to consider building a classroom for College and commercial use.</p> <p>10.9. A review of the Forty Hall Farmers market had now begun which would include an evaluation of how the market is run, in terms of sales, community, commercial and education purposes.</p> <p>10.10. It was also key to have a clear strategy on how the Farm, Vineyard and College all interact in order to move forward in a more effective manner, with clearer boundaries.</p> <p>10.11. It was confirmed that the relationship with the Farm was now much more cohesive than in the past, with a shared goal to create more links back with the College for funding activities, commercial and educational benefit.</p>	
<p><b>11. AOB</b></p> <p>11.1. None.</p>	
<p><b>12. Date of next meeting</b></p> <p>12.1. The next Finance and Resources Committee meeting will take place on Wednesday 19 June, 2024 at 1700.</p>	

APPROVED MINUTES			
<b>CHAIR:</b>	Peter Doble	<b>DATE:</b>	19 June 2024
<b>APPROVAL:</b>	<p><b>Remote confirmation:</b> Approved.</p> <p><b>Or signed:</b></p>		