



Business Committee Minutes

Meeting	Business Committee	Date	22 June 2023
Location	Canterbury College room; J221	Time	9.30am
Membership	Gail Clarke [Chair], Charles Buchanan, Graham Razey (CEO), Joanna Worby, Miranda Chapman, <i>Paula Gillespie, Karen Wilks,</i>		
In Attendance	Chris Legg (CL) – Chief Financial Officer Dan Shelley (DS) – Chief Infrastructure and Transformation Officer Sharon Hollingsworth (SH) – Group Director of Governance Nicole Leader – Executive Support Manager [Minutes Clerk]		

**Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and apologies	The Chair welcomed everyone to the meeting and thanked them for their time. Apologies were received form Paula Gillespie and Karen Wilks.	
2	Declarations of Interest	No declarations of interest received other than those declared as standing.	
3	Minutes of the meetings held 16 March 2023 inc. confidential minutes.	The minutes of the Business Committee meeting held on 16 March 2023 were reviewed by the Committee members and approved as a true and fair account. The minutes will be signed following the meeting by the Chair.	
4	Matters arising not covered by this agenda.	No matters arising	

5	Budget strategy	This item was considered confidential and will form part of the confidential minutes Part A	
6	Energy Renewal contract	This item was considered confidential and will form part of the confidential minutes Part A	
7	MFD Contract Renewal	This item was considered confidential and will form part of the confidential minutes Part A	
8	Capital Programme update:	<p>DS presented an update on the progress of the Group's main capital projects and highlighted the following:</p> <ul style="list-style-type: none"> - Overall progress on the Spring Lane and Ashford projects remain on track and within budget and to programme timescales - The Dover project is now complete - Final snagging issues at Folkestone are being worked through - The Broadstairs campus redevelopment is progressing but still to finalise the full funding changes with the DfE due to the ongoing negotiations with the insurance loss adjuster for the workshops impacted by fire in Jan 23. Two insurance settlement options are being worked up for review and it is recommended that these are reported to the Property Committee for due consideration and agreement. - The Margate Digital project remains on hold due to the ongoing negotiations with Thanet District Council (TDC) and Homes England over the terms of the lease. - Remaining level up projects at moving at pace. <p>RESOLVED: Delegated authority to Property Committee to approve the insurance settlement relating to Broadstairs with the outcome being reported back to the Business Committee.</p>	Committee Chair
9	FE Transformation Fund and Energy Efficiency Grant Allocations	<p>DS explained that Government has allocated over £4.6million through the FE Transformation Fund (FETF) and Energy Efficiency Grant (EEG) Allocations to FE Colleges with sites that have some of the poorest conditions across their estates and have not yet received funding through previous rounds of the FETF programme.</p> <p>DS drew attention to the breakdown of the proposed areas where the funding will be spent to</p>	

		<p>improve the Group estate. The £4.6million must be spent by March 2026. Approved works will commence in Summer 2024.</p> <p>DS noted that the presented recommendations had been reviewed and agreed by Group Leadership Board on 12 June 2023 and will need recommending for approval by the Business Committee to the Full Governing Body on 11 July 2023.</p> <p>The Committee thoroughly reviewed the proposals and discussed how the £4.65m grants are to be deployed over the next three years. The wider strategic options that could support further investment in the current estate for improvement will form part of the Full Governing Body Strategic event in July 23.</p> <p>It was noted that Group is required to submit the indicative allocations to DfE by 31/7/23.</p> <p style="text-align: center;">RECOMMEND: The Committee agreed to recommend the presented investment plans and recommended financial allocations for FETF and EEG to Full Governing for approval.</p>	
10	Property Sub-Committee minutes:	<p>Minutes from the Property Committee held on the 17 April and the 3 June 2023 were received by the Committee.</p> <p>The Chair of the Property Committee discussed the key items considered at the meetings and reflected on the site tour of the new construction area and burnt-out automotive area at Broadstairs College. The Property Committee will be visiting Dover Technical College on the 3 July 2023.</p> <p style="text-align: center;">NOTED: Property Sub-Committee minutes from 17 April and 3 June 2023</p>	
11	May Management Accounts	<p>CL presented the May 2023 Management Accounts which includes the Q3 re-forecast.</p> <p>A Finance sub-committee has been formed and are meeting monthly to review the management accounts with the first meeting taking place on 15 June and the minutes from the meeting have been included in the papers for this meeting.</p>	

		<p>The following was highlighted:</p> <ul style="list-style-type: none"> - Income for the month is £1.7million down in the month due to re-profiling of the payments. - AEB funding is below target. - Pay costs continue to be underspent due to levels of staff vacancies and posts removed. - Cash balance is currently forecasted to be at circa £1million at the year-end, but once the DfE loan is received this will improve the cash position. - Overall, ahead of the EBITDA but this is forecasted to change to below budget by the year-end. - The Finance Sub-Committee has asked CL to re-design the layout of the accounts to include a forward planning cashflow graph as well as a dashboard style approach. <p style="text-align: center;"> NIOTED: Finance Sub Committee minutes 15 June 2023 NOTED: May 2023 Management Accounts </p>	CL
12	Fees Policy	<p>CL presented the Fees policy explaining that there had been some minor amendments and highlighted the following:</p> <ul style="list-style-type: none"> - Text added under 'Policy details' section for staff enrolling students providing support with information about their rights and financial obligations - Fee liability periods updated for HE fees for 2023-24 - Wording around 'refunds' changed as different rules for HE and FE. The option to defer fees in certain circumstances has been added in. <p>The Committee reviewed the policy and agreed to the updates.</p> <p style="text-align: center;">RESOLVED: The Committee approved the presented updated Fees policy</p>	
13	Update on Group commercial activity	<p>CL provided a summary update on the recent activity by Group Commercial Businesses.</p> <p>Governors asked what work experience had been put in place for those students that the community cafes previously provided. CL noted that the Inspire café at Broadstairs and Folkestone College offers alternative work experience for students that previously attended</p>	

		<p>Skylight café and Radnor park tea rooms.</p> <p>It was reported that the growth of Folkestone College nursery is slower than expected, which has adversely impacted on the budget.</p> <p>Long lettings will eventually come to an end causing the space at Canterbury College to be potentially problematic but given the expected Sixth Form College growth it is a possibility that this provision will expand into this space, however this option would need to be reviewed.</p> <p>It was noted that the Language schools are the second biggest customer and are due to return this summer.</p> <p style="text-align: center;">NOTED: Update on Group Commercial activity</p>	
14	Pay Policy	<p>The CEO presented the Pay Policy and explained that due to the work that has gone into the harmonisation project it had become clear that a Pay Policy should be developed.</p> <p>The presented Policy reflects current good practice, it has presented to the Unions for consultation and agreement has been sought.</p> <p>Governors noted that they liked the simplicity and transparency of the policy.</p> <p style="text-align: center;">RESOVED: Business Committee approved the Pay Policy.</p>	
15	Gender Pay Gap snapshot report including narrative.	<p>The CEO presented the Gender pay gap report and highlighted that there is an improved position for medium quartile due to the large proportion of females.</p> <p>Females remain dominant in all quartiles but particularly in the lower quartile.</p> <p>It was suggested that the Head of People Services team be invited to the next meeting to provide an update regarding the actions being taken to manage the Gender Pay Gap.</p>	Agenda

		<p>The priority remains to implement the harmonisation strategy across the Group.</p> <p>[MC left at 11.25am]</p> <p>ACTION: To add approval of the Gender Pay Gap to Business Committee Terms of Reference/Cycle of Business</p> <p>RESOLVED: Business Committee were comfortable with the presented Gender Pay Gap Report</p>	SH
16	Report on HR matters	<p>This item was deferred until the next meeting.</p> <p>It was noted that under the re-classification of colleges that the Department for Education had issued new guidance on settlement agreements and payments for staff</p>	
17	Governance Improvement Plan	<p>Group Director of Governance presented the Governance Improvement Plan which had been worked up following the findings from the My Governance diagnostic survey together with the results from the self-assessment exercise against the AoC Code of Good Governance. The Search and Governance Committee had decided to allocate the areas of improvement to committee level. The respective areas of improvement were discussed.</p> <p>It was suggested that all areas identified within the Plan are added to the cycle of business/term of reference for the respective Committee.</p> <p>RECOMMEND: Areas of improvement to be included in the Governing Body/Committee Cycle of business for 2023-24</p> <p>NOTED: Governance Improvement Plan</p>	SH
18	Any Other Business	<p>Annual Bus pass purchase – CL presented the annual bulk purchase of £418,600 (910 x £460)</p> <p>RESOLVED: The Committee approved the above bulk purchase of annual bus passes</p>	



19	Matters Considered Confidential	Item 5, Budget confidential until FGB Item 6, Energy renewal contracts Item 7, MFD tender	
20	Date and time of next meeting –	Thursday, 23 November 2023, 9.30am	

There being no further business the meeting closed at 11.38am

Signed: 

Print: Gail Clarke

Date: 23 November 2023



The FGB Chair, CEO and the Director of Governance have been given delegated authority by FGB to review confidential minutes on an annual basis. The following minute was released for publication following the review panel meeting held on 11 October 2023.

Business Committee Meeting of 23/06/23 Confidential Minute Number 5

	ITEM	COMMENTS	ACTION
5	Budget Strategy:	<p>Revenue</p> <p>CL presented the budget strategy for 2023/24 and highlighted the key risk factors:</p> <p><u>Adult Education Budget (AEB) growth</u></p> <p>AEB is forecasted to fail to reach plan in 2021/22 by £1million resulting in repayment of the same amount to the ESFA. This was mainly due to covid affecting adult engagement in education; the take up of learners has been slow to come back and new centres of provision were not fully operational at the beginning of the 2022/23 academic year. There is still an element of risk to deliver for 2023/24, mainly due to the potential for non-engagement and staffing challenges which can lead to non-delivery affecting the earning potential.</p> <p>To address the AEB issues, Colleges and Business units have undertaken the following:</p> <ul style="list-style-type: none"> - Ashford has increased delivery due to the growth in this district. - Canterbury has increased delivery due to the shift of week-end college activity into Canterbury from EKC Training. - Folkestone and Sheppey have both scaled back delivery of AEB. - The majority of AEB delivery moving forward will take place in EKC Training in the new centres, existing employability centres, Eastchurch and rail engineering. <p>A Governor asked if there is any early indication of the student take up for these programmes. CL advised that it is currently too early to forecast, however early indicators will be identified by the end of Q1. A contingency plan to deliver any shortfall in the AEB budget has been developed and can be implemented any time in 2023/24.</p> <p>It was noted that adult income does not affect us as fundamentally as some areas of business, as the bulk of the funding comes from the 16-19 delivery however, the risk is that if we do not deliver the AEB</p>	

		<p>budget the contract may be re-assessed downwards in future year, and so becomes a priority for performance.</p> <p>A Governor asked how much of the increase of AEB rates vs volume. The additional £1million is mainly due to volume.</p> <p><u>Energy Costs</u> Our current fixed term energy contracts will be ending in October 2023. Forecasting has been estimated at 2.5 times the 2022/23 levels of expenditure.</p> <p><u>Commercial Services Performance</u> Pay and non-pay inflation is putting cost pressure on many of the commercial businesses who are not always in control of being able to pass these cost pressures on through increased prices.</p> <p><u>Cash outflow/Financial Health Scoring Reduction</u> At year-end cash position is forecasted to be circa £1million with new borrowings of £4.3million expected early in the new academic year. The 2022/23 year-end is forecasted to finish with a significant drop in the current ratio and therefore a financial health scoring of “requires Improvement”. Target of 5% EBITDA has been set for 2023/24 and therefore a financial health scoring of “requires improvement” for this individual measure. The Governors asked if this is a concern, CL assured Governors that it was manageable if there is a cash buffer, and it was noted that this rating is due to the re-classification. The Committee discussed the College budgets and noted the following: Folkestone College has an inefficient site which has increased the non-pay budget, coupled with low group sizes. Sheppey numbers are declining, and non-pay costs increased. Disadvantage funding decreased, currently Sheppey claims most of the disadvantage funding per student.</p> <p><u>Other factors to note:</u> Contract income for 2022/23 received £3million in one off contracts, 2023/24 will see a significant drop.</p>	
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