

Business Committee Minutes

Meeting	Business Committee	Date	14 March 2024
Location	Folkestone – Executive Boardroom	Time	9.30am
Membership	Charles Buchanan (CB), <i>Miranda Chapman (MC)</i> , Gail Clarke (Chair), Graham Razey (CEO), Karen Wilks (Staff Governor), Joanna Worby (JW)		
In Attendance	Chris Legg, (CL) Chief Financial Officer (CFO) Dan Shelley (DS) Chief Infrastructure and Transformation Officer Alison Gray (EDOD) Executive Director of Organisational Development- item 11 Vikki Peters (GHHS) Group Head of Health & Safety - item 11 Sharon Hollingsworth (SH) Group Director of Governance Georgia Shelton (GS) Governance Officer - Minutes Clerk Sam Lawrence-Rose Governor (Observer)		

**Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and apologies for absence	The Chair welcomed members to the meeting. Apologies were received for Miranda Chapman.	
2	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meetings held on 23 November 2023 including confidential minutes	The minutes and confidential minutes of the Business Committee meeting held on the 23 November 2023 were reviewed by the Committee and approved as a true and fair account and were signed by the Chair.	
4	Matters Arising not covered by this agenda:	The Chair asked for any matters arising. DS noted that following the previous meeting, a price had been agreed with Microsoft 365 at around £218K with the addition of a CoPilot trial.	
Strategic items			
5	Capital Programme update	The Chief Infrastructure and Transformation Officer updated governors on Capital Programmes and the following was noted:	

	<p>Property Sub-Committee minutes 22.01.24</p>	<p>The Margate Digital Project has been delayed for the last 16 months due to the ongoing negotiations regarding the 125-year peppercorn lease. Thanet District Council (TDC) and Homes England have now agreed to this lease, a final review of the lease agreement is being undertaken by Cripps. B&M are in the process of completing a value appraisal to determine whether it is best to go out to tender or remain with Willmott Dixon. B&M will present their recommendations to the Property Committee on 18 March for a decision on the preferred procurement route.</p> <p>Ashford Borough Council are required to spend the Levelling Up Funding by March 2025; in order to assist this, DLUC have agreed to pivot funding to works needing to be undertaken. A studio operator is still in the process of being agreed due to costing, and it was suggested that this may need to go back out to market. B&M have been consulted to investigate alternative uses of this funding; an extension on the Ashford College site is being discussed, as well as alternative sites within 10 minute walk of the College. In addition to this, the Ashford College Extension is near completion, with snagging being completed currently.</p> <p>The Broadstairs College Development is progressing well, with the Future extension due to be complete after Easter.</p> <p>Sheppey College planning has now been submitted following a successful consultation event. Due to the change in location of Junior College to the Sheppey College site, slight changes will need to take place to account for an additional Junior College entrance. Contractors have now been shortlisted and will be contacted in March.</p> <p>Governors queried whether there will be a mix of different aged students on the same site, and whether this was a safeguarding concern. Members were reassured that Junior College students would not mix with older students, and that this was the reasoning behind having separate entrances as well as working and recreational spaces.</p> <p>It was questioned why this rule is in place for colleges, when secondary schools mix students aged 12-18. The CEO explained that this rule is not in place for 16-19 students, but rather the adults attending college.</p>	
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6	Subcontracting	<p>The Chief Financial Officer presented the paper on subcontracting explaining that the committee is requested to consider whether to subcontract the Adult Education Budget provision.</p> <p>Governors acknowledged that the main reasoning for sub-contracting is to aid the spending of the Adult Education Budget (AEB) and questioned what the impact of consistent funding clawback each year, or a reducing the budget, would have. It was explained that it is possible that once the AEB is returned, the Group will not receive it again.</p> <p>The CEO asked governors to consider whether there is anything that can be done for the locality which is not being done already. It was suggested that the Group do not have the flexibility to provide education to all local businesses due to a need for tutors, however there are some contacts and companies locally which could serve this need.</p> <p>Members agree that there is a compelling case in subcontracting in terms of investing in local learners. From a business perspective, it was agreed that this would provide more jobs locally, and create more workers for certain needs, which will in-turn enhance the local community.</p> <p>RECOMMEND: Subcontracting to be considered by the Full Governing Body on the basis that this meets local needs, does not come as a cost to the Group, and follows all ESFA guidelines.</p>	
7	EKC Group Benchmarking	<p>The Chief Financial Officer explained to governors that Tribal had been commissioned to benchmark EKC Group's cost efficiency. The concluding report was summarised and presented via PowerPoint to members and the following was noted:</p> <ul style="list-style-type: none"> When compared with other similar college groups, it was found that EKC Group spend disproportionately higher than other colleges on teaching support. 	

		<ul style="list-style-type: none"> • The Group have a higher teaching activity spend due to teaching support costs; however the teaching delivery spend is lower due to high utilisation of staff, despite a more expensive mix of staff. <p>Governors questioned how teaching activity is measured. It was suggested that teaching productivity, cost and income are taken into account, and that any member of staff providing teaching is considered.</p> <ul style="list-style-type: none"> • Within non-teaching activity, less is being spent on support services overall, but individual support areas are in proportion to other similar colleges. <p>Tribal concluded that the Group have a strong core margin with efficient and effective teaching delivery. Teaching support is a key aspect, with High Funding Efficiency driving higher levels of Teaching Financial Productivity. It was recommended that some pockets of higher spend could be reviewed.</p> <p>Governors questioned whether the large number of teaching vacancies could have impacted the results of this benchmarking activity. It was suggested that a high number or vacancies is not abnormal for the Group, and that as teaching gaps and absences are covered, this is not a factor.</p> <p>Members queried what pockets of high spend could be reviewed given the recommendations. The presentation highlighted high spend within Finance, HR, Executive Leadership, and Teacher pay; it was suggested that these areas are staffed and paid for as necessary.</p> <p>The presentation was noted, and members acknowledged a feeling of reassurance at this picture. Governors suggested that the report be shared to allow a deeper dive into the content of this review. The CFO agreed to share this with the Finance Sub-Group, but suggested that as this is a management tool, it is not necessary to send to the Full Governing Body and should only be used to reaffirm that the Group's position is in line with its strategy.</p> <p style="text-align: center;">AGREED: EKC Group Benchmarking PowerPoint to be shared at the Finance Sub-Group.</p> <p style="text-align: center;">NOTED: EKC Group Benchmarking.</p>	
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8	Additional Capital Budget	<p>The Chief Financial Officer explained to governors that as a result of the recruitment of additional 16-19 learners, the ESFA have confirmed an increase of funding of £2,685,878.</p> <p>It was explained that £234,796 of this funding is allocated to bursary and free school meals, leaving £2,451,082 of available income. It was proposed that the following revenue and capital budget changes be made:</p> <ul style="list-style-type: none"> • Revenue Budget- There should be an increase to head count of Student Mentors and Industry Liaison Officers (£100,000) as well as an increase in scale points 13-17 to even out the pay points following the national living wage rise (£170,000). • Capital Budget- An Ashford employability space to be created at Ashford College (£100,000), minibuses to be purchased (£100,000), investments to be made in AI (£100,000), refurbishments to take place in Broadstairs Catering (£500,000), external works to take place on the Yarrow (£200,000), IT equipment to be replaced (£500,000), and an alternative provision centre to be created (£100,000). • Additional Cash Commitments- A £383,082 increase in cash holdings, and repayment of historical underspent bursaries (£198,000). <p>Governors questioned whether the Yarrow Hotel is considered a separate legal entity in terms of assets. It was suggested that this is not the case, and that assets cannot be released outside of the Group.</p> <p>It was queried why the proposed changes need to be funded through the additional capital grants. It was suggested that these changes would likely not be funded from elsewhere, and that it is important to consider these changes now, as growth funding is not regularly received.</p> <p style="text-align: center;">APPROVED: Additional Capital Budget.</p> <p>KW left the meeting at 11.02am.</p>	
Reporting			
9	Implementation of the national minimum wage - April 2024	This item was considered confidential and will form Confidential Minutes PART A.	

10	January 2024 Management Accounts	<p>The Chief Financial Officer (CFO) presented the January 2024 management accounts, and the following was noted:</p> <ul style="list-style-type: none"> • 16-18 Apprenticeship income will be in a better position than forecast due to the improved retention rate of learners. • Pay costs are continuing to underspend but this is slowing. <p>Governors noted and questioned the £12million cash holdings, and how this is higher than expected. The CFO suggested that this will be spent in the following academic year on Capital Projects, and this has a deadline of March 2026 so there is no risk of not spending this.</p> <ul style="list-style-type: none"> • Financial health is expected to produce a high level of profit (EBITDA) of over 10%. This is the maximum financial health score, predicting outstanding financial health for the end of year. <p>Governors questioned whether there are any disadvantages to having outstanding financial health. It was suggested that this could impact negatively on the Group's reputation due to the DfE provided loans, but members agreed that these loans have allowed the Group to achieve outstanding financial health. The CFO also made governors aware that this could impact future bids and cause a review of cash levels to take place.</p> <p>Members were made aware that the DfE FE Handbook is due to be published imminently, which should provide further information on approaches required by the DfE.</p> <p>The CFO suggested that the best next steps would be to create a new Financial Strategy to take debt reduction, and how best to spend cash, into account.</p> <p style="text-align: center;">NOTED: The January 2023 Management Accounts.</p>	
11	Update on performance against Health, Safety and Wellbeing Policy	<p>The Executive Director of Organisational Development (EDOD) and the Group Head of Health & Safety (GHHS) were welcomed to the meeting at 11.15am to update governors on performance against Health, Safety and Wellbeing.</p> <p>All incidents were summarised, and it was suggested that many incidents are non-work related, with 8 incidents being reportable to HSE under RIDDOR.</p>	

		<p>Governors questioned whether the incidents caused were because of slipping maintenance standards, or whether changes made following incidents were as a result of the natural maintenance cycle. The EDOD reassured governors that grounds inspections take place 4 times a year to ensure that any hazards are outlined and rectified. It is important to be pragmatic and do the best with the resources available.</p> <p>Following the above statement, governors questioned whether Health and Safety is under-resourced. It was explained that the new Health & Safety structure will provide better control and consistency across the Group, aiding in the smooth running of practises.</p> <p>The GHHS explained her role and suggested that the college estates teams take a lead on routines and statutory compliance on their site with the Group Estates Team being a resource for all sites to utilise. It is important to ensure that all staff are aware of what their role obligations are to maintain good standards.</p> <p>Governors questioned whether there are any on-going concerns to be aware of. It was suggested that there are no material concerns, however there is a piece of work to be done around assurance within refectories.</p> <p>It was queried whether building works across the Group are a concern. The EDOD explained that health and safety concerns as a result of building works are managed by the project teams and have not yet caused any alarm.</p> <p>It was explained that once the EDOD has retired, Health & Safety will come under facilities, overseen by the Chief Infrastructure and Transformation Officer.</p> <p>Alison Gray was thanked for her contribution to the Group over the years, and was wished all the best for the future.</p> <p style="text-align: center;">NOTED: Update on performance against Health, Safety and Wellbeing Policy.</p>	
12	Report on HR matters	This item was considered confidential and will form Confidential Minutes PART A.	

13	LSIF Procurement of Assistive Technology Rooms Approved E-Resolution	<p>The Group Director of Governance reminded governors of the approved e-resolution of the Business Committee that was taken outside of the formal meeting cycle:</p> <p>4 January 2024 - approval for the procurement of design services, equipment, and installation for three assistive technology spaces, as part of the Group's LSIF project to the maximum value of £231,000 inclusive of VAT, which is within the overall LSIF project budget.</p> <p style="text-align: center;">NOTED: LSIF Procurement of Assistive Technology Rooms Approved E-Resolution</p>	
Procedural			
14	Any Other Business	There was no other business to be discussed.	
15	Matters Considered Confidential	Items 9 and 12 were considered confidential and will form the Business Committee Confidential Minutes Part A.	
16	Date and time of next meeting	The next meeting will take place on Thursday 20 th June at 9.30am.	

There being no further business the meeting closed at 11.39am.

Signed: 

Print: GAIL CLARKE

Date: 20.06.2024

The FGB Chair, CEO, and Group 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 14.10.24.

Business Meeting of 14.03.24 Confidential Part A, Item 9

	ITEM	COMMENTS	ACTION
9	Implementation of the national minimum wage- April 2024	<p>The CEO presented a paper on the implementation of the national minimum wage.</p> <p>Following additional funding, it has been suggested that the 2023/24 Pay Award be brought forward for the lowest paid staff this year for the Group to commit to paying the Real Living Foundation Wage. This will positively impact staff on salary points 13 (£11.16 an hour) to 17 (£12.49 an hour) on the EKC Group Scale.</p> <p>While the National Minimum Wage increase could have been applied to the lowest paid staff (points 13 and 14), the Group are dedicated to the progression of staff, and want to ensure that there are differentials between grades.</p> <p>Governors questioned whether moving to the Real Living Foundation Wage would be affordable for the Group. It was suggested that this would be achievable and would have a positive impact on staff during the cost-of-living crisis.</p> <p>The CEO brought to the governors' attention the reversal of the Harpur Trust vs Brazel agreement, and informed members that the Group are working on a procedure which will allow staff the option to increase working days to overcome a reduction on holiday pay.</p>	

		RECOMMEND: Implementation of the national minimum wage - April 2024 to Full Governing Body for approval	
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