

MOULTON COLLEGE

FINANCE AND RESOURCES COMMITTEE

Meeting held on Monday, 1 July 2024 at 5.00pm in the IT Suite

Present:	Ashley Clarkson	Independent Governor
	Charles Matts	Independent Governor
	Mark Wakeford	Independent Governor
	Mohamed Saeudy	Independent Governor
	Karen Squires	Independent Governor
In attendance:	Alastair Thompson	Independent Governor
	Pauline Hawkesford	Independent Governor
	George Crick	Independent Governor
	Oliver Symons	Incoming Principal
	Alicia Bruce	Chief Operating Officer
	David Aldridge	Executive Director Human Resource
	Sarah Bunney	Finance Director
	Catherine Duro	Head of Governance

SECTION A – ROUTINE ITEMS AND GOVERNANCE:

24/49 Apologies for absence (Agenda item 1)

Absences were noted for Mustafa Regec-Noor.

24/50 Declarations of interest (Agenda item 2)

There were no declarations of interest.

24/51 Curriculum Plan (Agenda item 3, Paper AA)

The Curriculum plan was received with representatives from the TLA Committee also present to review it and triangulate.

The background process was confirmed and the TLA Cahir assured all present that here committee had been part of a detailed review earlier in the year.

Asked how the conflict ion priorities between financial and environmental sustainability would be managed. All agreed this was a pertinent question that all had a responsibility to manage with care, balancing the two priorities with clarity given from the review of the strategic plan.

Governors commented that on a recent learning walk they had observed construction apprentice training space to be at capacity. It was asked if the growth in the plan could be accommodated. Governors were assured that by moving some to main site, and some programmes replaced with T levels, it would be possible to accommodate the growth. It was also confirmed that the curriculum teams were working closely with the estates team, whose vision to see spaces and potential use has been invaluable. A potential opportunity for 4 -5 additional classroom on this site through reconfiguration was being explored.

Governors were informed that there was a need to review the Higham lease in four years' time as it is an expensive lease and an options analysis was needed

Governors reassured by the proposal that during 2024/25 the Curriculum plan will evolve to be planned in more detail and costed at course level, using 4Cast technology.

Resolved: Approved that the curriculum plan be recommended to the Corporation

Pauline Hawkesford and George Crick left the meeting.

24/52 Minutes of last meeting (Agenda item 4, Paper A)

The minutes of the meeting held on **3 June 2024** were **approved** as an accurate record for publishing.

A governor asked if IT development was still on track and where are we in developing training for staff and students. It was confirmed that the project was ongoing but on track and that staff were in place to deliver staff training over the summer.

24/53 Outstanding Actions (Agenda item 5, Paper B)

There were no outstanding actions.

SECTION B – FINANCE

24/54 Management accounts and Cash flow (Agenda item 6, Paper C)

The management accounts were received and an executive summary provided.

A governor expressed concern that the financial health score was dropping, keeping us in the RI category. It was confirmed that hard work was still underway to manage this, reducing agency staff now term had ended to reduce costs before the year end. There was still time for the numbers to change and be finalised, and they were being closely monitored.

It was asked if the delay in the T Level capital project would impact on curriculum delivery. Governors were informed that whilst students won't start in a new high-class facility, they can start and will still benefit from developments in year. An opportunity was possible as they were construction students so it was hoped that the build could form part of their learning. Communications were being carefully managed. Governors were assured that managers were confident it remained deliverable and would deliver a better outcome.

It was asked if we were above break even in each area. The committee was informed that whilst not every area delivered a surplus, overall, we were doing. Each budget holder had this level of detail, and this would be further improved by the use of 4cast.

24/55 College Budget and Financial Plan 2024/25 (Agenda item 7, Paper D)

Links in with expected recruitment numbers.

The College budget and financial plan were received and confirmed as read. A reminder of the executive summary and the headlines was provided. Income lines and variances to the current year were explained. Commercial income and expenditure challenges and targets were detailed. Priorities and rationales were explained. Key costs and changes were summarised.

Areas of investment were discussed.

A review of recruitment needs was also being undertaken to enable delivery of the budget.

Finding the right level of EBITDA, cash balances and delivery would need to be carefully balanced, to meet his budget, which was prudent but possible.

Curriculum delivery growth was understood to be a big investment, especially with a LAG funded model, full year cost of posts that have been added this year, were reflected in next year's budget. The total increase was high when presented annually and governors challenged how this could be stabilised.

All agreed there was a need to review structures over the next year to ensure we don't have the same issues next year.

The pay award was challenged, again, as it had been debated at the previous meeting. Without seeing the cash balance and working capital go down, it was explained that this was the most that was achievable with the current figures. It was reflected that staff had received a significant pay award this year. It was asked if the AoC had made any recommendations. It was confirmed that no recommendation had been made yet. A lengthy debate challenged managers to ensure all options were covered and the potential fall out, and strike risk was understood. Pay was recognised as being only one element of remuneration, though important, and the committee had approved the proposal to reduce the working week to 37 hours at its previous meeting.

Line by line costing critical to understand the details to make appropriate cuts next year to enable a greater pay award. This level of cost management would enable quick agile decision making.

Governors were asked if any further information would have helped them prepare to review the budget. It was asked that a more detailed staffing structure with costs be provided with the allocated spend between levels, to be informative. **(Action DA/SB)**

All agreed it had been useful to bring the curriculum plan to this meeting for context.

It was recognised that there was an opportunity for the college to implement better business processes to improve efficiency, and intime reduce costs.

It was asked if staff had been consulted before proposing this. Governors were advised that this offer was around what we could afford within the budget, we have received the union demands, we have chosen to start with what is affordable. The message of protecting jobs and quality would be important

Resolved: that the budget be recommended to the Board for approval

24/56 College Financial Forecast Return (CFFR) (Agenda item 7a, Paper D – Annex tabled)

Governors were assured that whilst a complex spreadsheet the CFFR mirrored the budget, so in approving the budget the CFFR could also be approved for publishing.

Resolved: that the CFFR be recommended to the Board for approval

SECTION C – RESOURCES

24/57 Sustainability Base Line (Agenda item 8, Paper E)

The sustainability baseline was received after having been scrutinised by the Sustainability Working Party. Whilst only providing basic information, the committee was assured it was complete and accurate for scope 1 and 2.

It was explained that the working party felt that 2024/25 KPI's could only be set in the new year once the 2023/24 baseline figures were calculated and a trend clear. Governors were assured that staff will be allocated the responsibilities to deliver these. **(Action – OS)**

With assurance that these were accurate and compete governors were happy to recommend them to the board for approval.

Resolved: that eh baseline be recommended to the Board for approval

24/58 People Plan (Agenda item 9, Paper F)

The paper highlights were shared. The desire for Moulton to be seen as a career destination was expressed. It was explained that this was not a final version to be published but a discussion paper to share the early vision. The need to promote and celebrate career opportunities available and taken in the college was agreed. Succession planning and leadership development was recognised as a core part of delivering this vision and had begun under the Remuneration Committee action. The governors were assured that this people plan would form a pillar of the new strategic vision and plan.

It was asked what the next steps were. Governors were advised staff voice and staff wellbeing group would be consulted and their feedback factored in, a final people plan would then be available by the end of the autumn term, to launch in January.

The need for any activity to lean on existing development budgets, and to align with management structure agreed was recognised by all.

24/59 HR Quarterly Report (Agenda item 10, Paper G)

Governors were familiar with the quarterly report which was taken as read. It had been discussed earlier in the meeting that targets would be breached, with staff turnover, and sickness and that agency spend was high. It was confirmed that lower agency figures were expected in the new year as recruitment to fill these roles was underway.

It was confirmed that the HR and payroll audits would result in additional reporting to provide additional clarity and assurance, following a robust audit on the new payroll system.

The staff survey was open at the time of meeting, the results would be reported on to a future meeting. **(Action DA/CD)**

It was asked what the sector norm for staff turnover was, 18-19%. Several colleges were known to be above that this year. Governors were assured people often don't leave to go to another college but are leaving the sector.

Section D – POLICIES:

24/60 Financial Regulations inc. Appendix A – Treasury Management Policy (Agenda item 11, Paper H)

It was explained that the financial regulations had been updated to meet the statutory requirements, and the managing public money requirements.

The regulations had been reviewed and clarity added to be explicit how the external requirements are met. Were already useful to budget holders, are now very clear when we have to report up to the ESFA.

Internal Audit will be reviewing the document from the 15th July. Any tweaks will be brought back in the Autumn.

Resolved: that it be recommended to the Board for approval.

24/61 Reserves Policy (Agenda item 12, Paper I)

The need for a reserves policy was explained. The AoC will be creating a template but this hasn't been published yet, therefore managers aren't yet at a position to present a policy. A presentation was shared for information.

The Chairty Commission document was signposted as a good starting point. A presentation was given to governors explaining the requirements of a reserves policy and the options available to it. Comments were invited. Important to be resilient, fine balance between securing reserves and delivering a good student experience for current students. It was also recognised that building a reserves policy reduced funds available for a pay award, and that the policy would need to provide for this very fine balance.

We need to build a discipline in or we will always have other priorities, depends on what we identify as our core business, aims and objectives to deliver efficiency and student experience.

Will bring it back in the autumn, alongside the revised strategic plan and risk register, they all need to align.

It was agreed that reserves exceeding 1 month's expenditure were needed as a minimum.

Section E –CLOSING ITEMS:

24/62 Any other business (Agenda item 16)

The draft PIMS plan from the DFE was considered. This has to be agreed to come out of financial intervention. This is due to go to the DFE governance board, for them to confirm we can come out of financial intervention into Post Intervention Monitoring. This will then be in place until at least January 2026.

The key challenges in the plan were debated. A financial health score of at least 160 was identified as one of the more challenging items. They will go with 160 if we have an EBITDA that is at least 4.5%, equalling 40 points.

This links well to the need for a reserve plan.

It was agreed that this was an optimal plan, which brings people to the table to have the conversation, be transparent about where we are and how plan to improve. Isn't something to be feared, is something we should be aspiring to.

Governors asked what the red flags were and how they would know. It was confirmed this must be reported to this committee and an annual progress report should also be provided.
(Action CD/AB)

Resolved that the PIMS plan be recommended to the Board for approval.

24/63 Date of next meeting - TBC