

# Non-Confidential Minutes

## FINANCE & RESOURCES COMMITTEE MEETING

Date:	8 July 2024	Time:	4.00 PM
Chairperson:	Peter Lambert	Location:	Newbury College, The Hart Room & Teams

Present	Name	Role
<b>Membership</b>	Peter Lambert (PL)	External Member – Interim Chair
	Iain Wolloff (IW)	Principal & Chief Executive
	Sally Osmond (SO)	External Member & Chair of Corporation
	Julian Cooper (JC)	External Member
	Sue Richardson (SR)	Staff (Support) Member
	Trevor Gabriele (TG)	External Member (Teams)
	Neil McDougall (NM)	External Member
	Debbie Ferguson (DF)	External Member
<b>Apologies:</b>	Prof. Gavin Brooks (GB)	External Member & Vice Chair of Corporation
	Jatinder Matharu (JMa)	Director of Safeguarding & Support (DSS)
<b>In Attendance:</b>	Heather Large (HL)	Governance Professional (GP)
	Jamie Morton (JMo)	Director of Finance (DF)
	Jo Houghton (JH)	Vice Principal – HE & Skills (VPHEs)
	Lee Hunt (LH)	Deputy Principal & Vice Principal – FE & Curriculum (VPFEC)
	Cathy Wright (CW)	Vice Principal – Central Services (VPCS)
	Nathan Hall (NH)	Director of Estates and Facilities (DEF)
<b>Quorum:</b>	Three Members required	Meeting quorate



Item No.		Reports
1.	<b>APOLOGIES FOR ABSENCE</b> There were apologies for absence received and accepted for Professor Gavin Brooks and Jatinder Matharu.	Verbal
2.	<b>DECLARATIONS OF INTEREST</b> There were no declarations of any pecuniary, conflict or business interests in any of the agenda items.	Verbal
3.	<b>NOTIFICATION OF ANY OTHER URGENT BUSINESS</b> There were no items of any other urgent business notified.	Verbal
4.	<b>MINUTES OF THE PREVIOUS MEETING</b> The Finance Committee Minutes of the 11 March 2024 were reviewed, and a request made to the Clerk to add Trevor Gabriele, Neil McDougall and Debbie Ferguson having been nominated and approved as Finance and Resources	Paper – 3

	<p>Committee members. Pending that change the Minutes were confirmed as a correct record.</p> <p>The Confidential Minutes of the Finance Committee of the 11 March 2024 were confirmed as a correct record.</p> <p>The Minutes of the Finance Planning Meeting of the 10 June 2024 were reviewed and confirmed as a correct record.</p>	<p>Paper – 12</p> <p>Paper - 14</p>
5.	<p><b>MATTERS ARISING FROM THE PREVIOUS MEETING (To be carried forward)</b></p> <ul style="list-style-type: none"> <li>• PCE to obtain clearer guidance from the DfE on pension options. <b>Not due.</b></li> <li>• VPCS to ask that external reviewers of the College website ask for Governors’ opinion. <b>Not due.</b></li> <li>• PCE/DF to show excess PFI costs “below the line” in future accounts. <b>Not due.</b></li> </ul> <p>It was noted that GDPR policy was back for approval at this meeting and the VPCS explained she had received further amendments after the March meeting approval – hence why it had been re-submitted.</p>	Paper – 16
6.	<p><b>FIVE YEAR FINANCIAL PLAN</b></p> <p>The DF presented the draft five-year financial plan. The Committee questioned:</p> <ul style="list-style-type: none"> <li>• The formulas used to manage potential increases in teaching staff pensions and if this was sufficient. Did the figures used fully reflect the last pay award or potential pay awards? DF confirmed figures had been used as suggested by AOC/ESFA, however, once guidance is refined the plan will be updated.</li> <li>• The assumptions around inflation and had they been incorporated into the Plan. DF confirmed a 2% annual inflation increase had been used.</li> <li>• If all the funding income had been confirmed. DF confirmed that funding incomes were established and included all areas of income.</li> <li>• Whether the devolution risks been considered. PCE reported that the College has been monitoring the devolution risk.</li> </ul>	Paper – 17
7.	<p><b>BUDGET PLAN 2024/25</b></p> <p>DF recommended the Budget proposal to the Committee which has been based on:</p> <ul style="list-style-type: none"> <li>• Funding information available from the ESFA and others;</li> <li>• Estimates of Learner numbers based on applications to date and courses to be provided;</li> <li>• Review of staffing to ensure staff in place will be sufficient and appropriately qualified to provide the courses; and</li> <li>• Information on other anticipated expenses collected both centrally and from budget holders.</li> </ul> <p>The budget remains in deficit at an operating level, with the high costs of the PFI and the strong growth in 16-19 learners bringing costs but not being fully funded due to the lagged growth funding mechanism.</p> <p>Regarding cashflow, the anticipated receipts from land sales are sufficient to enable the College to remain cash positive. Although as these have been delayed from the original planning dates, there will be pressure on net cash days during September and October. The PCE and DF are engaged with ESFA regarding the reprofiling of income as well as other internal contingencies. The Committee questioned:</p>	Paper – 26

	<ul style="list-style-type: none"> <li>• The accuracy of the growth projection figures.</li> <li>• Conversion data availability this was confirmed as already managed and the College has normally gained learners after the September term starts.</li> <li>• How the cost analysis had been constructed, DF presented the process.</li> <li>• Teaching hours analysis was discussed, further work is required.</li> <li>• Average class size. VPFEF confirmed for Business, IT &amp; Art it is 13. For Construction 16. For Sports Academy 22. AOC recommends 16 for vocational classes and 28 for A Level.</li> <li>• The Committee requested pay awards be accounted for across the full year.</li> </ul> <p>Committee requested:</p> <ul style="list-style-type: none"> <li>• More granular data to be delivered for the contribution level analysis.</li> <li>• A budget growth strategy to move the College from ESFA “requires improvement” judgement to “good.”</li> <li>• A budget growth strategy to cover the ending of PFI and beyond.</li> <li>• The budget plan to be reviewed for accuracy and resubmitted.</li> </ul> <p>The Committee were not able to recommend the Budget for Board approval at this point.</p> <p><b>Action: Chair to discuss with PCE/DF what 2024/25 Budget assumptions.</b>  <b>Action: PCE/DF to update and re-present the 2024/25 Budget to Finance Committee.</b>  <b>Action: Chair of Board to seek support from FEC.</b></p>	
<p><b>8.</b></p>	<p><b>MONTHLY MANAGEMENT ACCOUNTS</b></p> <p>The May and June Management Accounts were received and noted.</p> <ul style="list-style-type: none"> <li>• The Full Year Forecast Operating Deficit of £(2,106)K is £263K positive to budget and is due to the increased income from 16-19 and AEB funding being greater than the increased staff costs.</li> <li>• The Full Year Forecast total surplus of £(305)K is £1,747K adverse to budget. This is due to the slip of land sale receipts from the current year into October 2024.</li> <li>• Overall income for 23/24 is currently forecast to be £868K higher than budget, due to the positive balance, positive growth and additional funding.</li> <li>• Overall expenditure for 23/24 is forecast to be £605k higher than budget, due largely to the planned increases for staff costs to support the growth in student numbers, the pay award, and the additional posts agreed for post-inspection development.</li> <li>• The cash flow position for the next 3 years has been re-projected to take account of all changes, including those related to the timing of capital receipts for the land sales. In summary: <ul style="list-style-type: none"> <li>○ Lowest cash balance in next 12 months - £0.8m Sep 2024 Cash days 22.</li> <li>○ Lowest cash balance following that in next 36 months - £0.9m December 2025 Cash days 22, immediately before a capital receipt.</li> </ul> </li> <li>• Cash remains heavily reliant on future tranches from the land sales.</li> </ul>	<p>Paper – 36</p>

	<p>The Committee asked:</p> <ul style="list-style-type: none"> <li>• What would be the trigger to approach ESFA that support could be needed. PCE confirmed that this would generally be around the two months prior to a cashflow problem.</li> </ul>	
9.	<p><b>CAPITAL EXPENDITURE</b> DF presented an update on capital expenditure to the Committee. Key points were:</p> <ul style="list-style-type: none"> <li>• The capital spend projected in 2024/25 is intended to support the budget and provide a realistic list of known costs and an expectation of unknown capital spend.</li> <li>• The majority of the spend will be covered by grants previously received and allow improvements particularly to the College's IT provision.</li> </ul> <p><b>The Committee duly approved IT improvements in line with the IT strategy at a cost of £119k and the entry barriers at a cost of 71k.</b></p>	Paper – 50
10.	<p><b>CAPITAL RECEIPTS*</b> <b>This was subject to a confidential minute.</b></p>	Paper – 52
11.	<p><b>HR REPORT</b> A written report from VPCS was received for information and noted:</p> <p>The Committee sought clarification on agency costs which are anticipated to be around £200k, £60k above budget. It was explained this was due to additional teaching support in English and Maths and Electrical installation.</p> <p><b>Action: VPCS/DF to ensure staff costs to be reviewed and included in the Finance five-year plan and Budget.</b> <b>Action: VPCS/DF to ensure further granular data to be provided on the calculation of the staffing costs, year on year within the Finance five-year plan and Budget.</b></p>	Paper - 54
12.	<p><b>IT STRATEGY</b> The VPCS presented the written IT Strategy and Implementation Plan for Committee approval.</p> <p>The Committee noted that the IT Strategy is intended to enable the provision of resources and services for the benefit for all College users - students, staff, and other stakeholders - ensuring that these resources are secure and resilient, but also flexible, accessible, and responsive to meet the needs of those who use them.</p>	Paper – 60
13.	<p><b>MARKETING REPORT</b> The VPCS presented a written Marketing Report.</p> <p>The Committee duly noted potential improvements could be achieved:</p> <ul style="list-style-type: none"> <li>• Between November and February 2024, the marketing department have provided significant focus to the Apprenticeship Project.</li> <li>• The department has been re-structured to meet the needs of the College.</li> </ul> <p>It was noted that:</p> <ul style="list-style-type: none"> <li>• There were 35,000 visitors to the Newbury College website during the 3 months, which remains in line with earlier in the year. Conversions look</li> </ul>	Paper - 82

	<p>down; however, this is because of a change by Google’s reporting. The Key Events conversions total shows significant events(actions) tracked during this quarter. These included application conversions, subject enquiries, contact form conversions and enquiry form completions, these were nearly 25% up on the previous quarter.</p> <ul style="list-style-type: none"> <li>• The use of social media is seeing continued growth.</li> <li>• Support for UCN has been invested in, following successful bids.</li> <li>• Events such as taster day have been handed back to the student support team, which will allow more time and focus on late recruitment needs.</li> </ul> <p>The Committee sought and received clarification on the following:</p> <ul style="list-style-type: none"> <li>• If the benchmarking table was a summary of cumulative figures. It was explained that they are measures of activity and not necessarily performance.</li> <li>• When was the last time an in-depth review of Marketing took place. It was confirmed approximately four years ago.</li> </ul> <p><b>Action: VPCS to drive an updated Marketing strategy document. Date for delivery to be agreed.</b></p>	
14.	<p><b>POLICIES</b></p> <p>The Committee received policies for approval on:</p> <ul style="list-style-type: none"> <li>• Financial Regulations – To come back to Committee after making comparisons with the College Financial Handbook in the new academic year.</li> <li>• GDPR – Approved</li> <li>• Bursary Funds Policy and Procedure - Approved</li> </ul> <p><b>Action: DF to update Financial Regulations Policy in line with new College Financial Handbook and bring back to Committee.</b></p> <p><b>Action: Clerk to review the responsibilities of the Clerk with regard to financial regulations.</b></p>	<p>Paper – 88</p> <p>Paper – 98</p> <p>Paper - 104</p>
15.	<p><b>ANY OTHER BUSINESS</b></p> <p>There was none.</p> <p><b>All Committee members apart from the External Members left at 18.00 hours.</b></p> <p style="text-align: center;"><b>Meeting Closed at 18:00 hours</b></p>	<p>Verbal</p>
16.	<p><b>EXTERNAL MEMBERS ONLY*</b></p> <p><b>This was subject to a Confidential Minute.</b></p>	

\*Confidential items

Signed:

*Peter Lambert*

(Chair) Date:

27 Aug 2024

Peter Lambert (Aug 27, 2024, 12:42pm)



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