

Resources Committee

Mon 19 June 2023, 08:30 - 10:00

Zoom

Attendees

Board members

Dave Vasse (Principal), Nazia Shah (Staff Member), Andy Boucher (Chair), Marian Orafu (Member), Richard Boulton (Dir of Finance & Operations), John Kirk (Interim Clerk)

Absent: Rosali Pretorius

Meeting minutes

1. Welcome, Apologies for Absence, and Quoracy

AB welcomed everyone. There were no apologies and the meeting was declared quorate.

Information

Andy Boucher

2. Declarations of Interest

None

Information

Andy Boucher

3. Minutes of the Meeting 27 March 2023

To approve the minutes as a true and accurate record.

The minutes were approved as a true and accurate record of the meeting.

Andy Boucher

 Minutes_Resources Committee_270323.pdf

4. Matters Arising

None

Andy Boucher

5. Management Accounts May 2023

To receive and discuss the management accounts as at May 2023, with commentary.

To note the current and forecast financial health of the college.

Discussion

Richard Boulton

RB noted the three major items which caused the increased in-year deficit of £184k from £137k.

Energy costs have increased three-fold to 159k, which is outside our control. Accordingly, there needs to be a strong message on housekeeping with turning off lights, etc.

The Healthy Eating Policy, introduced two years ago, ended the zero-cost canteen model. This is considered money well spent at £60k.

AB asked if this was related to food price increases

RB noted that individual food cost increases are marginal.

Exams costs are again outside our control, as boards have passed on £50k increased costs.

RB also noted the £25k capital project support cost should be reversed when funds are received.

AB asked about consideration of energy self-sufficiency?

RB noted the existing £6k per quarter feed-in income from solar panels on the roof. Boilers servicing a large part of the college are in need of replacement, which significantly improve efficiency.

Ground source heat pumps is an option for a feasibility study, but it is doubtful there would be an advantageous return on investment.

AB asked about a desktop exercise on energy efficiency, such as retro-fit insulation grants.

DV noted that AoC had looked at this, but there is no investment currently available, though there is an option for ground placed solar panels on the land.

RB noted the visit of the LoveElectric car charging company which could be asked to consider other options, and the LRC will be costed to move to LED lighting from halogen tubes, though this would involve changing the luminaires. It was agreed that there needed to be an investigation into reducing energy consumption and decarbonising.

MO asked if the forecast should take into account any potential energy price increase.

DV noted that there is contingency in the budget to allow for such variance, though it is thought energy prices are at the peak.

RB noted that the T Level funding outcome should be confirmed by the end of June.

AB asked if there had been any progress on the property strategy.

RB noted there were proposals in hand, both for the Council on the land adjacent to the primary school, and on the repurposing of the house, for which tendering is expected through August, with works starting in the Autumn, with it being available for students by September 2024.

RB noted the science block roof will need repairing this year, irrespective of T Level funding.

T Level equipment funding has been received but before it is spent the Financial Health Grade reduces to satisfactory, but returning to good by year end.

The management accounts were received.

Action RB: It was agreed that there needed to be an investigation into reducing energy consumption and decarbonising.

 FIN-Management Accounts May 23 Resources Committee-16Jun23-vF.pdf

 FIN-Management Accounts May23 Commentary-16Jun23-vF.pdf

6. Outline Estimates of Income and Expenditure Update

Decision

To receive the Outline Estimates of Income and Expenditure

To recommend, or otherwise, the proposed budget for 2023/24 to the Corporation.

Richard Boulton

RB noted the projected small surplus for next year, driven by student numbers, though revenues lag by a year.

DV noted that 14-16 funding comes in-year, and with direct recruitment this will have a positive impact.

AB asked how the revenues are recognised on P&L, as it is earned income.

RB will check with the Auditors as to correct accounting practice.

RB invited questions on the uncertainties to the budget forecast.

NS asked about clawback of any unspent T level funding that has already been received.

RB noted the DfE has confirmed the December 2024 deadline for our T Level spending, as delivery has been deferred to September 2024. DV shared the DfE email with this confirmation.

RB noted the T&Cs refer to invoiced spend. Quotes have already been requested, most lower level equipment is ex-stock, though some high-end equipment is on a lead time. Digital and Health and Social Care have already provided equipment lists, and much of this has already been ordered. It is expected that all funding will be spent well in advance of the clawback deadline.

AB asked about the option of leasing some high-end equipment, in the event newer technology became available within the expected lifespan.

RB noted that much of this specialist equipment has been around for some time, though this is an option to investigate.

AB asked about any other other potential risks in the budget

RB noted that the required Work Placements were a risk, though evidence from elsewhere suggests this should not be a major obstacle.

DV noted the strong college emphasis on business development, such as with employer events as discussed in External Affairs committee. A recent meeting with Drapers proved very positive, with a visit from the full Drapers Court in November, and the agreement to host fundraising celebration dinner at Drapers Hall for the 500th anniversary, both of which will provide are major boosts with employers.

AB noted that livery companies can come together and share these opportunities for employer engagement.

RB noted the further opportunities for work placement, where Digital could set up Monoux Enterprises, with a web studio where students build websites, etc, either in the house or in a local office space or in the house, as well as the nursery for staff childcare.

DV noted that Financial Health Grade is moving toward Outstanding, even though it does drop from Good to Satisfactory during the year due to cashflow and the scoring tool treatment of unspent funds, but will return to Good by the year end.

It was unanimously agreed to recommend the Budget Forecast to the Corporation

Action:

RB to check with the Auditors as to correct accounting practice for revenues.

RB to investigate the option of leasing higher end equipment

 FIN-Outline Estimates of Income and Expenditure 23-24-16Jun22-vF.docx.pdf

7. Any Other Business

Electric Car Scheme

Information

Richard Boulton

RB Outlined the proposal to implement an electric car salary sacrifice scheme as a staff benefit, which also moves us along the sustainability route. The cars are on a business lease by the college, which will save the Employers NIC. The scheme protects the college and the staff member in most circumstances, such as resignation, redundancy, death, etc.

This type of scheme has been successfully introduced elsewhere, and with the impact of increased ULEZ this will be a major incentive for the recruitment and retention of staff.

There is a government subsidy to install up to forty charging points.

DV welcomed this as an attractive benefit for recruiting staff.

MO asked about the extent of take-up of the Cycle to Work scheme?

DV said take up had been fairly low, though that scheme usually involves a one-off purchase.

MO asked about the number of charging points which might be installed.

RB reported that the current £350 subsidy per charging point has no known end point, and a feasibility study of costs of each post, and any necessary upgrading of power supply would determine the optimum number to be installed, possibly with ten points at the front of the building, and the remainder at the rear.

The committee agreed that subject to due diligence with regard to compliance with financial regulations, and a risk assessment, the scheme should go forward.

Action: RB to check compliance with financial regulations and conduct a risk assessment.

8. Date and Time of Next Meetings

Tues 28 November 2023 8.30am

Tues 12 March 2024 8.30am

Tues 18 June 2024 8.30am

Information

Andy Boucher