

Minutes Finance, Planning and Resources Committee Meeting

(All resolutions passed were the unanimous decision of the Finance, Planning and Resources Committee members present unless otherwise stated)

Meeting Title	Finance, Planning and Resources Committee
Date	25 January 2024 at 5.30pm
Members	Mr R. Foulston (RF) Ms L. Austin (LA) Cllr A. Holt (AH) Mr K. Hutton(KH) Ms D. Malka(DM) Mr J. Marshall(JM) - Chair Mr P. Mayhew-Smith(PM-S)- Group Principal / CEO
In Attendance	Ms. R. Devan(RD) - Director of Finance Mr R Greenaway(RG) - Deputy CEO, Finance and Resources Mr J O'Shea Principal, Kingston and South Thames Colleges Ms J. Percival (JP) Interim Principal , Carshalton and Merton Colleges Mrs H Meredith(HM) - Head of Governance
Key Meeting Outcomes	
	The meeting was held remotely.
1.	APOLOGIES
1.1	There were no apologies as all members were present. KH and DM were welcomed to their first meeting since their appointment as governors.
1.2	DECLARATION OF INTEREST Members confirmed that they did not have any new pecuniary or other interest in any item on the agenda other than interests which have previously been declared.
2.	MINUTES OF LAST MEETING OF 23 NOVEMBER 2023 AND MATTERS ARISING
2.1	<u>Accuracy</u> . The minutes were accepted as an accurate record to be signed by the chair.
2.2	<u>Matters arising</u> There were no matters arising from the last minutes
2.3	It was resolved to agree the minutes.
3.	MANAGEMENT ACCOUNTS NOVEMBER 2023 AND DECEMBER 2023
3.1.1	RD presented the most significant variances between Budget and Forecast from the November 2023 Management Accounts as these accounts showed a greater variance than the December management accounts. The Committee discussed the most significant variances including:
3.1.2	Additional HE Franchised income from KU for the L3 Foundation Year Business programme at KC. The extra income this year £366k is not expected to be repeated next year but compensates in part for a drop in other HE income this year.
3.1.3	Advanced Learning Loans have dropped significantly (by £400k) but in their place AEB has increased as a significant number of Adults on Level 3 programmes who would previously have taken Advanced Learning Loans are now eligible for AEB funding
3.1.4	'Other Grant income' is from the LSIF project. As project costs were also recognised for the first time in November, forecast expenditure on professional fees, publicity and staff development etc. also increased by c £170k.
3.1.5	General contingency was increased from the budget of £200k to £500k in October to deal with the risks that had not been recognised within specific forecasts at that stage. As a number of

risks materialised during November and income forecasts have reduced significantly, the general contingency has been restated as budget (£200k)

3.1.6

The group generated an EBITDA of £903K for the year to date against a profiled budget for the period of £996K and the Financial Health indicators show that the Group remains in Good financial health and well within the requirements of bank loan covenants.

3.1.7

RD took questions from governors.

- PMS asked about impact of the LSIF project – RD confirmed that income and expenditure lines moved with a net forecast contribution of £125k in November (assumed 25% contribution from £500k grant). The project funding has to be spent by the end of March 2024. If not spent, the Group has to return any unspent grant. RF asked about the logic of having to spend the LSIF grant so quickly? RG thought the deadline was the end of the DfE’s financial year.

JP joined the meeting at 5.50pm

- RG explained that costs have to be demonstrably additional and linked to the LSIF project outcome. PMS commented that to spend the funding in the allotted timescale the Group would have needed to take on about 50 additional staff for 3 months. RG thought that some other colleges are trying to use the funding on costs of existing staff but confirmed that STCG is acting within the funding rules. AH asked whether the Group has found out what other colleges are doing. RG reported that in the Central Area New City College- the lead college- have encouraged partner colleges to use this for existing staff cost but this is not within the funding guidance.
- AH asked about any risks to STCG if any of the college partners are claiming money that has not been correctly spent; RG confirmed that STCG will not approve anything outside the conditions of funding.
- AH asked about DfE’s communications on this. RG confirmed that the DfE Guidance says that you cannot use existing staff unless you are backfilling with additional staff. LA suggested justifying the additional work which existing staff have been doing – RG confirmed that costs for specific additional tasks relating to the project will be claimed.
- DM asked how this could be achieved within such a tight timescale? RG confirmed that the Group re-structured the Schools and Employer Partnership Team and recruited an additional head and promoted some existing staff internally to new business partnership roles which has allowed us to try out an approach to business partnerships. The indications are that it is quite beneficial. SM will present to governors on some of this activity at the training event on 26 January.

3.2

ESFA FINANCE DASHBOARDS

3.2.1

Members reviewed the ESFA Finance Dashboards - there was nothing in these which is not reported on to the Committee in the monthly management accounts.

3.3

REVIEW OF GROUP FINANCIAL POSITION

3.3.1

Members reviewed and discussed this when reviewing the management accounts and the Financial Health indicators shown below. RD confirmed that Group will remain in Good Financial Health and JM commented that the Group is tracking ahead of budget.

ESFA Health Indicators

Measures	Annual Budget	Forecast	ESFA Health Score
Current Ratio	1.86	>= 1.6	80
EBITDA	3.03%	3.05%	30
Borrowing as a % of income	6.50%	6.16%	90
Annual Health Group	Good	Good	200

3.3.2

It was **resolved** to note the management accounts.

4. 4.1	ESTATES STRATEGY UPDATE A confidential update was discussed and minuted under Confidential Minutes			
Date of Next Meeting	<p>The next meeting will take place on Thursday 14 March 2024 at 5.30pm.</p> <p>The Committee discussed holding one meeting this year in person – once the agenda was set for this meeting it was felt not to be a sensible use of time to travel to this meeting in person. It was agreed to hold either the March or June meeting in person instead.</p> <p>The meeting closed at 6.15pm.</p> <p>Signed:Date:.....</p>			
Action points		Responsible	Deadline	Signed off
From this meeting				
1.	Fix either March or June meeting to be held in person	HM	Feb 24	