



**MINUTES OF A MEETING OF
THE CORPORATION'S FINANCE AND RESOURCES COMMITTEE
4.00PM TUESDAY 1 MARCH 2022
In the Pengelly Room**

Members:	*Richard Barker; *John Bullen; Henry Cox (co-opted); *Robert Lasseter; *Graham Ledden (Chair); *Luke Rake (Principal); Dee Vickers
In attendance:	Dan Knight (Chair of A*A Committee); *Anna Bowen (Finance Director); *Vanessa Gifford (Clerk)

** Indicates actual presence at this meeting [Quorum = 3 Committee Members]*

ITEM NO.	DETAIL	
1.	DECLARATIONS OF INTEREST There were no Declarations of Interest NOTED .	
2.	APOLOGIES FOR ABSENCE Apologies for absence were NOTED from Henry Cox and Dee Vickers.	
3.	MINUTES OF THE MEETING HELD ON 23 NOVEMBER AND 21 DECEMBER 2021 The Committee AGREED the minutes as a true and accurate record and APPROVED the non-confidential minutes for website publication.	
4.	MATTERS ARISING The following matters arising from the meeting of 23 November 2021 were NOTED : <ul style="list-style-type: none"> • The inclusion of a vertical total in the cashflow report was outstanding. • Work Programmes would be updated at the end of the academic year in readiness for September 2022. There were no matters arising from the minutes of 21 December 2021.	AB
5.	MANAGEMENT ACCOUNTS TO 31 JANUARY 2022 The Management Accounts to 31 January 2022 were SCRUTINISED , and the following points NOTED : <ul style="list-style-type: none"> • The College would strive to achieve the Adult Funding allocation. • The Principal and Finance Director had reviewed income lines at the end of 2021 based on current performance to ensure that EBITDA was positive at the end of the financial year. • The Principal advised that he had now scheduled weekly finance meetings with a group of Managers to control spending. All payments over £25 would be considered by this group. 	

	<ul style="list-style-type: none"> The Committee pointed out that the EBITDA variance to YTD Budget was positive rather than negative. It was noted that the Cashflow report included the re-profile, although the allocation for 2022/23, that had just been received, was not included. The cash position at the end of March 2022 had greatly improved from the projected negative position and highlighted that finances had been managed appropriately. It was important to build on this work to produce a cash buffer. It was noted that Barclays had advised that the break cost for its loan was £125K. The College was currently taking legal advice as this had not been explicit in the agreement. The Finance Director advised that a retention was accruing on the University Centre project, with a percentage held back on each drawdown. 	AB
6.	<p>FACILITY AGREEMENT WITH NATWEST</p> <p>The update on the Supplemental Facility Agreement was NOTED, which was currently to 22 March 2022. It was agreed to chase up the bank to ascertain whether this could be extended to 30 April 2022 and then an update posted on to GVO before signing the agreement. It was noted that the Auditors would treat this as non-current over 1 year.</p>	AB/VG
7.	<p>BANKING REPACKAGE WITH NATWEST BANK</p> <p>It was AGREED that this was a sensible approach with the impact highlighted within the Cashflow report. The SMT was tasked with negotiating a formal agreement with NatWest for presentation to the Corporation.</p> <p>The Finance Director was requested to check the new Interest charge on the report, and to present a paper to the Corporation showing the impact of a fixed rate agreement versus a variable agreement.</p>	LR/AB AB AB
8.	<p>TREASURY REPORT</p> <p>The Treasury Report was NOTED, and the Finance Director was requested to include the various parts of the VAT Reclaim.</p>	AB
9.	<p>RESERVES POLICY</p> <p>The Reserves Policy for 2022 was CONSIDERED and suggested that the target for the Performance Ratio should be 6% and the ratio for Staff Costs should be included at 55%.</p> <p>With these amendments the Reserves Policy was RECOMMENDED to the Corporation for approval.</p>	
10.	<p>FINANCIAL REGULATIONS AND PROCEDURES</p> <p>The draft Financial Regulations and Procedures were CONSIDERED and the following points NOTED:</p> <ul style="list-style-type: none"> The procedure for checking suppliers' change of account details was within the Procedures. The Clerk advised that the Principal's expenses should be signed off by the Corporation Chair as set out in Standing Orders. The Committee Chair requested that the 'Word' documents be sent to him to enable him to make some minor amendments. 	AB

	<ul style="list-style-type: none"> It was agreed that both documents would also be presented to the next Audit & Assurance Committee for its consideration. 	
11.	<p>ANNUAL ACCOUNTS 2020/21</p> <p>The Finance Director advised that she had met with the Auditors the previous week to receive an update.</p> <p>It was noted that an update on the ESFA clawback was still awaited and it was agreed that a full consideration of the accounts would occur once there was further advice on the clawback enabling the Corporation to consider 'Going Concern'.</p> <p>It was agreed that the KME accounts could carry on in isolation to the KMC accounts and would be considered by the next Audit & Assurance Committee, and the F&R Committee would then consider them on GVO before approval by the Corporation.</p>	
12.	<p>VAT CLAIM</p> <p>It was noted that a recent letter had been received from the VAT Consultant advising that HMRC continued to argue the £600K on the debtors balance. It was agreed that all the elements of the claim should be understood so that decisions could be made on the figures showing in the accounts. It was agreed to request a summary from the VAT Consultant, and this would be shared with the Committee on GVO. It was suggested that the VAT Consultant should be requested to pursue at a higher level within the HMRC.</p>	AB
13.	<p>MAURWARD CLOSE AND OTHER MAJOR CAPITAL PROJECTS UPDATE</p> <p>The following points were NOTED:</p> <p>Maurward Close</p> <ul style="list-style-type: none"> Planning consent would not be subject to a Section 106, and delegated officer decision would be undertaken. It was noted that the agreed £225K should be received once planning consent had been granted. <p>University and Business Centre</p> <ul style="list-style-type: none"> No major concerns were noted for this project <p>SALIX, GSHP Project</p> <ul style="list-style-type: none"> The Principal advised that there were significant risks with this project which he was managing on a robust basis. Conversations were being undertaken with SALIX on drawdowns for practical completions. <p>Dorset Studio School</p> <ul style="list-style-type: none"> The Principal advised that he had just been informed that there were challenges to the build from the DfE. He had to investigate further and would keep the Corporation informed. 	
14.	<p>PROCUREMENT/TENDERS/VALUE FOR MONEY/CONSULTANCIES</p> <p>The following points were NOTED:</p> <ul style="list-style-type: none"> A small tender exercise was being undertaken for the lease of tractors. Insurance was currently being reviewed. 	

	<ul style="list-style-type: none"> • Transport tender would be reviewed in 2023. • The Principal advised that he had agreed a small retainer with SG Financial, within his delegated powers, for support on the larger capital projects. • The quotation with FE Associates had been agreed for the production of a Standalone case for the SPA process. 	
15.	<p>PROJECTS/CAPITAL BID UPDATE</p> <p>The following points were NOTED:</p> <ul style="list-style-type: none"> • The Principal advised that he was pursuing a bid for T Level capital funding in readiness for September 2023. The bid would be to replace the Outdoor Adventure Centre amounting to around £500-750K. He was in negotiation with the ESFA on match funding and would update the Estate Committee and Corporation in due course. 	
16.	<p>RISK MANAGEMENT</p> <p>It was noted that the new Risk Register, incorporating the Board Assurance Framework, had been completed and would be presented to the next Audit & Assurance Committee.</p>	
17.	<p>ANY OTHER BUSINESS</p> <p>The following further business was NOTED:</p> <ul style="list-style-type: none"> • The Principal advised that the 16-19 Funding Allocation for 2022/23 had just been received and would increase by £723K. This included the increase in base rate, student number growth, retention, high needs and weighting. The Principal advised that the ILR had to demonstrate that more activity was being delivered (40 additional hours). It was noted that this funding was guaranteed and not currently incorporated within the cashflow report. • Applications for 2022/23 remained strong with currently 670 applications, 200 ahead of the same time the previous year. The Principal advised that he did not anticipate any additional staff costs with the numbers being absorbed within the current classes. It was noted that the ESFA may consider in year funding if the growth was in excess of 10%. 	
18.	<p>2021/22 MEETING DATES</p> <p>The following dates were NOTED:</p> <ul style="list-style-type: none"> • 3 May 2022 – the Committee Chair advised that he was likely to be away for this meeting. • 21 June 2022 	
	<i>Meeting closed at 6.05pm with no further business.</i>	

APPROVED: 3 May 2022