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MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE

Held on Friday 24th March at 9 am in Committee Room B and via MS Teams

Present: Martin Butterfield (Acting Chair), Julie Kapsalis (Acting CEO/Principal), Margaret Martin, Chris Muller.

In Attendance: George Jenkins (Chief Finance Officer), Donna Patterson (Assistant Principal HR & OD), Chris Mason (Director of Finance), Susanne Wicks (Head of Governance).

11.22	Apologies for Absence
	There were no apologies for absence.
12.22	Declaration of Interests
	The Acting CEO/Principal declared that she is an unremunerated Director of Nescot Enterprises Ltd. (NEL).
13.22	Minutes of the Previous Meeting/Matters Arising
	The open and confidential minutes of the meeting held on Friday 25 th November 2022 were agreed as an accurate record.
	<u>Matters Arising</u>
	i <i>Acting CEO/Principal to tweak the wording on page 4 of the Annual Accounts prior to sharing with the Audit Committee.</i> Complete. The Annual Accounts were approved by Corporation on 9 th December 2022.
	ii <i>CFO to update the draft and feedback comments to the Audit Committee on 2nd December 2022.</i> Complete. The Annual Accounts were approved by Corporation on 9 th December 2022
	iii <i>Acting CEO/Principal to liaise with Evelyn Partners about how students may learn more about their work.</i> Complete. The Acting CEO/Principal confirmed she had contacted Evelyn Partners and would follow up with a polite reminder.
	iv <i>The clerk to invite James Boycott to the June meeting of this Committee.</i> Complete.
14.22	Finance Matters
	The CFO presented his report and welcomed comments and questions. The following matters were discussed. <u>Capital Programme</u> The CFO confirmed that the capital expenditure programme for 2022-23 is on track, with a bid submitted for T Level development which would partly fund the £1.5M cost of the proposed Yorkon development. £0.5M funding has already

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	<p>been secured so if the bid is successful, the College will cover the remaining £0.5M from reserves. The Committee noted the outcome of the bid application will be known in May or June.</p> <p>The CFO advised that budget planning for 2023-24 is underway and colleagues have been invited to submit capital bids by the end of April 2023. Heads of Department have been invited to participate in the scrutiny of applications to ensure they are appropriate and relevant. The Committee looked forward to receiving a further update at their next meeting.</p> <p>The Committee were pleased to hear that the restaurant formerly known as Rasika is now open every other Friday as a pop-up café 'Food for Thought'. They also noted that the plans to launch Level 3 Catering necessitate having a restaurant on site, which could have incurred significant costs had the space been repurposed.</p> <p>The Acting CEO/Principal set out her intention to review the layout of the Skills Hub ground floor in its entirety to ensure it works best for the learners.</p> <p><u>Management Accounts</u></p> <p>The CFO delivered a short presentation giving an overview of the latest management accounts. MM asked if the drop in HE numbers was entirely attributable to the College's decision to end partnership and sub-contracting arrangements and the CFO responded that it was not. The Acting CEO/Principal added that most colleges are facing the same challenge with HE numbers, partly due to the cost-of-living crisis. She emphasised the need to focus strongly on the HE course offer and in particular to ensure that the offer is directly aligned to employer need which will generate an organic pipeline of students. A good example of that is the new BSc (Hons) Biological Science Degree Apprenticeship which launched this year and which is very scalable.</p> <p>MM asked if the savings realised from the institutional review would benefit this year's budget and the CFO explained that any impact would be seen in next year's budget, although there could be some exit costs which would be incurred from this year.</p> <p><u>Investment Fund Update</u></p> <p>The CFO reported that the market continues to be volatile but the investment fund remains at around £4M - £4.1M. The Committee noted how useful it was for a representative of Evelyn Partners to attend the last meeting.</p> <p>The CFO drew the Committee's attention to the paper from Evelyn Partners about the recent collapse of the Silicon Valley Bank and highlighted that its impact was minimal on their clients' funds.</p>
<p>15.22</p>	<p>Key Performance Indicators January 2023</p>
	<p>The CFO gave a brief introduction to the latest KPI and welcomed comments and questions.</p>

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	<p>The Committee noted that student numbers continue to be the key driver, particularly for FE, and the Acting CEO/Principal set out the possible impact of recent Ofsted inspections in other colleges in the local area on admissions to Nescot. The Committee acknowledged that not all parents and learners check Ofsted reports, but some will and it may impact on their choice of college.</p> <p>The Acting CEO/Principal also set out other actions being taken to increase learner numbers, including very focussed marketing and exploring where assistance with travel to learn may be worthwhile.</p> <p>The Chair asked if the Committee should be concerned about the performance of KPI 2.10 (<i>cash days in hand</i>) as compared with the national average. The Director of Finance advised that the end of February position was 99 days, which is forecast to reduce to 70 days at year-end due to outgoings related to the Institute of Technology, for which there is a two-month lag for reimbursement.</p>
16.2	Capital Expenditure Programme Update 2022/23
	<p>The CFO presented his report and highlighted that the largest project, the replacement of the South Wing windows is already underway and will be completed by the end of the financial year. He reminded the Committee that the cost of £507K was not budgeted but use of the contingency was approved by the Corporation in October 2022.</p> <p>The Committee noted that the programme is on track and on budget.</p>
17.22	Settlement Payments to College Staff 2022/23 to date
	<p>The Committee received the details of settlement payments made to date this year.</p>
18.22	HE Tuition Fees Policy 2024-25
	<p>The CFO presented the report and welcomed comments and questions. He noted that the Director of HE presented her report to ELT who considered very carefully the options put before them before agreeing the recommendation that fees should be increased for courses recruiting mostly younger students who normally receive loans from the Student Loans Company, but should be frozen for courses attracting adult and mature learners who may be more impacted by increased charges</p> <p>The CFO highlighted the work that the Director of HE carried out to compare Nescot's charges with nearby competitors but noted that it is not known what price increases they will apply, if any.</p> <p>MM sought clarification on what 'OFFA accountable activities' might be and the Director of Finance explained that HE providers are required to use a proportion of the additional income generated above the basic fee cap of £6K to widen access and participation in HE, and must report to the OfS on what activities have been undertaken in that regard. The Acting CEO/Principal advised that the bid for the Institute of Technology has been key, as it included the requirement to list how the college would attract students back into education in two priority</p>

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	<p>areas, for which Nescot chose gender and ethnicity. In order to further that aim, the Equality & Diversity Group will look at how potential students are marketed.</p> <p>The Committee agreed to recommend the HE Tuition Fees Policy 2024-25 to the Corporation for approval.</p>
19.22	Waivers for Approval
	<p>The CFO presented the three contract waivers and advised that all relate broadly to IT. He set out the reasons for the waivers and noted that with the new Head of Procurement in place, there is now a more standardised approach to the waiver process. In addition, she is working with colleagues to ensure that processes are in place to ensure they know when contracts are coming to an end, to mitigate the need for last-minute extensions and to enable a full tender process to take place.</p> <p>The CFO confirmed that it is best practice to go out to tender but there are occasions where it can be disruptive and costly, so an extension to the current contract may be appropriate in some circumstances. However, he confirmed that the requirements vary according to contract values, with more specific requirements for contracts over £213k.</p> <p>The Committee approved the three waivers.</p>
20.22	Any Other Business
i	<p><u>Epsom & Ewell Local Plan</u></p> <p>The CFO advised the Committee that a full report on this matter would be presented to the Corporation on 31st March 2023, but gave a brief summary on Nescot's response to the Epsom & Ewell Local Plan consultation.</p> <p>The CFO set out the proposals for a large housing development on a strip of land adjacent to the Nescot site which is currently used for sports fields. The College's response focussed on sport and education provision, as Nescot may be able to assist once the sports fields are gone, which may include some investment to redevelop the derelict pavilion on the Nescot site.</p> <p>The response also includes a request for Nescot to be removed from the Green Belt or identified, or allocated for suitable college led development, associated with open space leisure and education, where it is consistent with sensitivities around the Green Belt.</p> <p>The CFO set out the timetable for the Local Plan but emphasised the need for Nescot to be part of the conversation and be part of any decisions to make changes so close to the site. The Acting CEO/Principal noted that access to the site earmarked for housing is likely to be a key issue along with sustainable transport, and the short distance of Nescot from Ewell East Station will be part of that. She confirmed that she and the CFO have already begun to build strong relationships with colleagues in Epsom & Ewell District Council and they are beginning to understand the strategic importance of the Nescot site.</p>

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	ii	CM updated the Committee on governor recruitment.
21.22	Date and Time of the Next Meeting	
	The next meeting is scheduled for Friday 30 th June 2023 at 9.00am.	

The meeting closed at 10.15 am

Decisions:

1. The Committee agreed to recommend the HE Tuition Fees Policy 2024-25 to the Corporation for approval.
2. The Committee approved the three waivers presented.