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Minutes of the meeting of the Virtual Finance and General Purposes Committee held on Thursday 28 November 2024

Present

Richard Bevan	Committee Chair
Hermione Williams-Copp	External Governor
Stephen Wells	External Governor
Andrew Champion	External Governor
Jon Walton	Student Governor
Val Parsons	Staff Governor

In Attendance

Jason Jones	Deputy Principal
Bill Blythe	Vice Principal
Claire Isaac	Director of Finance
Joanna Boardman	Director of Governance and Director of Executive Operations

1.   Apologies for Absence
Apologies were received from Gaynor Castle and Daisy Thynne did not attend.

2.   Declaration of Interests
No declarations of pecuniary or non-pecuniary interests were made in respect of the items on the agenda.

3.   Confidential Items
No items were noted as confidential.

4.   Matters Arising
A chairs action between meetings was noted on approving the Subcontracting Fee and Charges policy

5.   Matters Brought Forward by the Chair
None

6.   Minutes and Actions   24FR01
The minutes were approved and agreed to be an accurate record.

Actions were all noted as now complete

7.   Papers

7.1 To Receive the Month 12 Management Accounts   24FR02

The month 12 accounts were received with a noted from the committee that there was another adjustment against the forecasted end of year turn out.

7.2   To Receive the Month 3 Management Accounts   24FR03

The discussion centred on financial forecasting, staffing, and budget planning. Key points include:

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- **Forecasting Accuracy:** The group acknowledged a historical pattern of overestimating student numbers. To improve accuracy, the college has moved to a more conservative approach, focusing on current enrolment and trend analysis rather than relying solely on internal projections.
- **Staffing and Costs:** Concerns were raised about the pay budget increasing in year beyond budget and the college shared some issues in overstaffing in some areas and increasing agency costs in hard to recruit roles. To address these issues, a more realistic assessment of future staffing needs is necessary, along with careful budget allocation for agency staff. It was also noted that the major increase in staffing was for the H2O programme where additional staffing had been covered by the increased income from DCC for more learners joining.
- **Financial Stability:** The team highlighted the ongoing efforts to stabilise the financial situation, including analysing income and expenditure variances and identifying potential cost-saving measures.
- **Budgeting and Contingency:** A contingency fund of £100k has been allocated for immediate needs, with a potential increase to £200-250k for future uncertainties.
- **Transparency and Communication:** The importance of clear communication and detailed reporting was emphasised to ensure effective financial management and decision-making.
- **Forecasting:** The Committee shared concerns that had been raised across their terms with over forecasting on learner numbers and adjusting downwards across the years. The Interim Principal pointed to new plans in place around curriculum and business planning this year which would resolve those longstanding issues,

Overall, the discussion aimed to improve financial forecasting, optimise resource allocation, and mitigate potential risks to ensure the organisation's long-term financial stability.

The committee confirmed receipt of the accounts.

7.3   To approve the Subcontracting Activity Report   24FR04

The Report was approved

7.4   To Recommend Proposal for Allocation of Sale Proceeds   24FR05

As the college faces restrictive covenants with its loans and will have some income (which is ringfenced to specific uses) it is proposing to pay down those loans with the income.

A full assessment would be presented at the time for full approval, but as the college will need to apply to the Department for Education for dispensation to do so it would like to begin that process now.

In additions the college intends to:
- Improve financial health by Reducing debt and associated interest costs.
- Enhance flexibility by freeing up working capital for operational needs.
- Optimise agility by making informed decisions about capital investments.

The committee agreed to recommend the proposal to the full board on 3 December.

7.5   To receive the PESL update   24FR06

The report was taken as read and the committee agreed that there were no issues with the subsidiary reporting.

The report was received

7.6   Digital Services Key Performance Indicators   24FR07

It was noted that since the Interim Principal and CEO has joined there had been a fuller review of the digital approach with a 'Back to Basics' approach now in place.

There is a commitment to refresh the hardware so that all devices are under 5 years old and implement a 3-year refresh cycle after that.

All educators are receiving updated devices currently.

7.7   College Estate Update   24FR08

The college reported multiple works in progress on site.

- **RAAC:** The college still has RAAC in two areas, which needs to be removed as per government mandates, but this will be fully externally funded.
- **Fire Safety:** The college has had to invest a substantial amount to upgrade fire doors to meet new regulations.
- **Building Refurbishments:** Various projects are underway, including refurbishing areas for SEND provision and upgrading facilities funded by LSIF.
- **Demolition:** The ECO house is scheduled for demolition.
- The North devon Campus has multiple areas of digging and scaffolding in place, which is challenging to manage,
- **Asset Management:** The college is preparing for a DFE inspection and updating asset surveys.

The discussion highlighted the increasing complexity of estate management, particularly regarding fire safety regulations and government mandates. The team is working to prioritise projects, mitigate risks, and optimise resource allocation to address these challenges effectively.

The committee prompted a discussion on the impact on learners during this time of high disruption. The college share that it was working a schedule to deliver minimum disruption where possible, but that some noise and restricted movement around the campus was unavoidable. The Student governor shard that when the heating was on full without the ability to adjust and learners were opening the windows, it became a choice of being too hot or letting in too much noise.

Car parking was noted as reduced during the building works due to the construction compounds that are needed.

7.8   College Digital Update   24FR09

 The college is facing several IT and infrastructure challenges:

- **Outdated Hardware:** Many devices are nearing or beyond their lifespan, impacting performance and security.
- **Cybersecurity:** The college needs to strengthen its cybersecurity measures, including implementing Cyber Essentials and addressing potential vulnerabilities.
- **IT Support:** Improving IT support services, especially for lecturers and students, is crucial.
- **Energy Efficiency:** The college is exploring energy-saving measures, such as installing a new heating and cooling system.

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Additionally, the college is navigating construction-related disruptions and is working to minimize the impact on students and staff.

To address these issues, the college plans to:

- **Upgrade Hardware:** Implement a regular hardware refresh cycle.
- **Enhance Cybersecurity:** Strengthen security protocols and policies.
- **Improve IT Support:** Invest in a new helpdesk system and provide better support to users.
- **Optimize Energy Usage:** Implement energy-efficient solutions.
- **Manage Construction Disruptions:** Communicate effectively with the college community and minimise disruptions.

By taking these steps, the college aims to improve the overall IT infrastructure, enhance cybersecurity, and create a more efficient and sustainable learning environment.

The committee welcomed the College's exploration of AI and encouraged the College to put in place appropriate AI policies to ensure safe and appropriate use.

8.0   AOB

The committee gave its thanks to Andy Champion, for whom this was their last meeting before stepping down from the Board at this time.

8.0   Items for Information only

To receive the Education and Skills Funding Agency Financial Assessment*   **24FR10**

To receive the Insurance cover summary report*   **24FR11**

Committee Terms of Reference*   **24FR12**

Action Plan

Action No	Action	Completion Date	Owner	Status
1	Present a selection of business planning scenarios to the next Strategic Review Committee	11 July 2023	Sean Mackney	Completed
2	Create Task and Finish Group	1 April 2024	Joanna Boardman	Completed
3	Present an update to the Sustain and Grow Programme to the next Strategic Review Committee	11 July 2023	Sean Mackney	For Board now
4	Present a post incident report on the Wi-Fi outage	Next meeting	Bill Blythe	Completed
5	Changes to Health and Safety Reporting Requested	1 July 2024	Sheena Murphy-Collett	Completed
6	Subcontracting Grid to be explained to the committee chair and policy approved by chairs action	1 August 2024	Bill Blythe and Richard Bevan	

The next meeting of the Committee is 12 March 2025