

Minutes of the meeting of the Finance and Estates Committee held on Monday 27th November 2023 at 18:00

GOVERNORS PRESENT: Charles Heaton, Chair
Andrew Cropley, Principal/CEO
David Ainsworth
Edward Rawson
Paul Wheeler

ALSO IN ATTENDANCE: Jon Fearon, Finance Director
Gavin Peake, Director: IT, Estates and Learning Resources
Eloise Hopkinson, Clerk to the Corporation

		ACTION by whom	DATE by when
1	<u>DECLARATIONS OF INTEREST</u> The chair reminded everyone present to declare any interests that they may have on agenda items scheduled for discussion. Standing declarations were noted. Paul Wheeler indicated that Mansfield Building Society is in conversations with Inspire and Achieve to help them with funding in relation to their charitable trust.		
2	<u>WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u> There were no apologies for absence.		
3	<u>MINUTES OF THE MEETING HELD ON 10TH OCTOBER 2023</u> The minutes were reviewed and it was agreed that they were an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 10th October 2023. There were no matters arising.		
4	<u>ACTION PROGRESS REPORT</u> The committee were happy to note the content of the update provided.		
5	<u>RISK REPORT</u>		

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The finance director presented the detailed report, explaining that the critical issue is those arrows that are pointing upward. Key matters highlighted were:

- In terms of capital risk, there is such a high level of spend the timeframe is so tight, the college is experiencing difficulty in finding sufficient companies to quote and compete. The college is trying to extend the number of contractors on the books, but colleagues are finding that the work is going to the same companies. However, this risk needs to be balanced at the moment as lead times are so tight. It is very important to be able to secure commitment from contractors.
- In relation to the risk relating to significant variation on the main contract, the director: IT, estates and learning resources is finding that people are changing their requirements after the job is agreed of the job. Again, attempts are being made to balance this. There is now another project manager in place to put more time and attention into presenting schemes.
- As the area heads towards devolution, this is the year that will determine the college's devolved budget and the budget for activity outside D2N2. Therefore, the college is trying to ensure there is as much activity in D2N2 as possible. Activity outside this area might not have a very long lifecycle as other areas will be subject to their own devolved practices.
- Since this report was written, it has been announced that the national minimum wage will increase to £11.44, which is more than was previously assumed. This will be addressed in the confidential paper.
- The college has had a really good year in terms of recruitment, which will bring extra revenue into this year and next. The college is now really utilising its buildings at the top end of the sectorial position. Although this is positive, it does mean there is not a lot of space to accommodate another four years of demographic growth. However, it is projected that this will decline again from 2028. Therefore, the director: IT, estates and learning resource is looking at solutions to resolve this temporarily. Additional bid funding will help, but it is necessary to plan in advance as these changes – whether relating to additional work on existing sites or securing new sites – take time to implement. So far, applications are above this time last year, which further evidences demographic growth.
- Growth in some areas, particularly English and maths, has been unprecedented and the college is having to employ extra staff to support.
- There were some concerns about how much the new bus process would cost and whether there would be a risk in relation to the bursary fund. However, so far, it does not look like this is a problem. It might be necessary to subsidise the bursary out of the college's own funds next year but not this. If last year's model had

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been kept in place, it is thought that costs would have gone up by around 70% due to the need for additional buses to accommodate the extra student numbers.

One governor asked for clarification in relation to the risk mitigation describing a new role, and it was confirmed that this is the new project manager who is now in place.

One governor challenged whether the director: IT, estates and learning resources feels the capital project spends are achievable, and the director feels that spending targets will be met. He explained that Chesterfield Road requires a new roof which will be a big-ticket item – he has met with a variety of firms to do intrusive surveys. The college is also having a very detailed conditions survey to show line by line where money needed to be spent so that this can be presented to the ESFA. This is how the director has dealt with ESFA grant funding before and they have always been happy with this approach.

One governor challenged in relation to the risk review dates and how these are decided, and it was explained that these are worked out to ensure risks are looked at in the timeframes set – i.e. red monthly, amber half-termly, and green termly. Governors were assured by this approach and indicated that they could see that nothing will be missed.

One governor asked how worried the committee needs to be around 'mission creep' – i.e. rising costs due to delays. Another question raised was how some of the benefits of this investment can be supported. The director advised that this funding is specifically for T Levels and needs to be invested in support of these new qualifications. Heads of department and assistant principals have been putting together equipment lists. Fortnightly meetings have then taken place to ensure everything is on track and, where necessary, the director: IT, estates and learning resources and the finance director have been questioning decisions and making suggestions where appropriate.

In general discussion, governors were informed that it would be useful for some departments to run demonstrations of the benefits the T Level equipment can bring to potential students. A lot has been done to make the equipment more industry appropriate. Furthermore, many of the larger items have been on the capital list as desirable items for some time, and the additional funding has expedited their installation.

One member of the committee raised a point for consideration in relation to those areas with state-of-the-art equipment possibly using this to help to recruit teaching staff. The principal confirmed that the college does try to use the excellent facilities as an attractor but pay usually wins above kit. However, he agreed that more could probably be done.

AGREED: to note the content of the update provided.

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SPACE AVAILABILITY AND FREQUENCY OF USE

The director: IT, estates and learning resources presented this detailed report, indicating that:

- Derby Road is now making better use of space, and classrooms are more efficiently occupied.
- Engineering also makes better use of the space, but the number of students in classrooms has dropped slightly.
- It was expected that construction's usage would drop as almost 260 students have been decanted to Kirkby Road. In comparison, however, Kirkby Road has very high usage.
- Mansfield Education Hub and Chesterfield Road have particular circumstances and the former is particularly not a concern. Chesterfield Road's frequency is as high as the college is going to see – the director explained that it is hard to get above 75% in a matrix when delivering the courses to the model Chesterfield Road uses. However, occupancy has dropped as A-Level recruitment was low.
- Table 4 shows that Derby Road is at the top of the expected utilisation for the majority of the space in the buildings. Standard classrooms are right at the top of the range and small-scale rooms (largely IT and science labs) are actually exceeding the expected range. Utilisation goes below target at very specialised spaces like sports; however, it can be difficult and costly to do anything about this sort of space. The college is not hitting the utilisation it would like in spaces such as the ward and salons, but it is hard to use these spaces for things other than what they were designed for.
- Overall, the picture is positive, and the college has been moving towards this position for some years by making changes and adapting spaces to better meet requirements. Governors were informed that the college no longer builds small spaces.
- It is now necessary to look at potential demographic increases and the college's market share. People are coming to the college rather than going to local schools, and this is causing pressure on rooms. The buildings are coping this year, but a different approach will be needed in future.
- The director is proposing the provision of more mezzanine space for engineering and also has plans to move out motor vehicle. However, this is a moving target, and the college only has ultimate control over building new space.
- 200m² will be added at Station Park, but the work due to start in January/February will be very complex. The spaces that were left by students that were decanted to Kirkby Road have been filled by curriculum. However, the director is confident that he can deal with this.
- In relation to staff space, the director has received proposals from Mansfield District Council in terms of costs to use the Civic Centre. This would give the space needed to allow for future curriculum

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growth.

In terms of categories D and E, the chair suggested that the target range set is perhaps too high, taking into account the specialist usages of these areas. He would specifically like this table to be included in the board papers as it gives clarity over how well the college is doing. GP advised that the target for the usage of specialist space is perhaps not realistic for Derby Road, but Station Park is close to it. The salons and ward are particularly challenging as they cannot be used for anything else. They are fantastic resources and must be retained, and it needs to be remembered that the numbers from the Department for Education are set by grouping a number of things together. Category D, for example, is classified as 'vocational largescale', and the college is then left to pick what it puts under that header. The chair suggested that this might be an argument for moving some spaces out of category D.

One member of the committee asked whether usage of spaces by external third parties is included in these statistics. The director indicated that, if the external activity takes place in the daytime, it is counted. However, this is rare and evening/weekend bookings are not taken into account. The theatre and sports facilities are booked almost solidly by external parties outside of the college's operating hours, including weekends.

AGREED: to note the content of the update provided.

7

CAPITAL PROJECTS

The director: IT, estates and learning resources presented his detailed report. Key matters of focus included:

- The community team has moved into the Four Seasons shopping centre and teaching has commenced. The college is on a 60-day notice contract – this is a very cost-effective rate but is on the understanding that the college will vacate in favour of any commercial prospects that arise. The budget and set-up of the unit has been carried out with that in mind.
- The unit is attracting passing trade.
- There are several fallback plans, including a community centre at Healdswood, which the team is very happy with.
- There are no concerns from the Executive in terms of being given notice on the Four Seasons unit. The finance director explained that the owners of the centre need to be able to extend the same terms to all tenants, which is why the contract is worded as it is. They have said that they do not foresee demand on the space that will need the college to leave, but they could not undermine or compromise their agreements with anyone else. The committee understood this stance.
- The archaeologists' dig at Chesterfield Road became only one

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week (rather than seven) as they discovered bedrock not far beneath the surface, as expected.

AGREED: to note the content of the update provided.

8 MANAGEMENT ACCOUNTS – OCTOBER 2023

The finance director presented the document and explained that the reforecast takes the college's EBITDA YTD to £534k and 5.6% and full year to £2.142m versus a budget of £1.775m, an increase of £367k. He has provided contingency around pay to look at a range of issues around sectoral pay and the need to put extra staffing in in some areas.

It is positive that apprenticeship income is ahead. Engineering has slipped a bit, but construction is positive, especially as the college has taken on heat pump provision. There are 49 new starts in the register. The finance director indicated that not all vacancies in these areas were recruited to, possibly because of lower-than-expected grades, but this gives greater capacity for intake later in the year.

The chair raised a question about whether the potential closure of a local business will impact the college's apprenticeships. It was clarified that the college does not have a direct supply chain with that business so does not, but one of our subcontractors does.

AGREED: to note the content of the update provided.

9 SUBCONTRACTOR REPORT

The finance director presented an update on the position in terms of subcontractor performance, explaining that there was a small increase in activity in the latter part of the year and performance was a little stronger.

Key points of note were:

- White Rose was historically strong but then decreased. This was boosted at the end of the year, so they did not underperform by as much as expected. However, they were only given a £25k allocation this year based on this performance. The parent company has failed to win eight of its usual contracts and is now more willing to work closely with the college, so a key proposal is to increase allocation to £150k and see how well the provider performs.
- Chameleon had a change of ownership and seems to have stopped provision, not recruited students, or chosen to place these learners somewhere else. If the provider is placing outside of D2N2, it will lose long-term funding. The finance director does not yet have the details and will need a conversation with the company, but it looks like the allocation will come down a lot.

The chair raised the reference in item 10 to increasing allocation for the Education and Training Consultancy due to decreasing White Rose's. The finance director explained that this activity will not be able to start until

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January. Another issue is that some of White Rose's activity will be in Derby (within D2N2) and learners are unlikely to come to Mansfield. The finance director indicated that the best approach is to mirror in Mansfield what has been done in Chesterfield. Last year, the allocation for White Rose was decreased, and any figure given is still a substantial reduction on what would have been in place. One member of the committee asked whether the provider is financially viable if it has lost so many contracts – it was explained that the parent company is large and, although the loss of these contracts will be inconvenient for them, it will not be fatal.

AGREED:

- to note the content of the report
- to approve the allocations as proposed.

10 CONTRACTS FOR APPROVAL

The finance director explained that this item has been approved previously but he then noticed errors in the years given within his original report. Therefore, for completeness, this is being brought to the committee again so that it can go back through board for approval.

AGREED: to recommend to the board that the contracts are approved as proposed.

11 RECONCILIATION OF THE FINANCIAL STATEMENTS AND JULY 2023 FINANCE REPORT

The finance director explained that there is £28k difference, with nothing of significance between the EBITDA reported and the final EBITDA. The points within the report are minor and there are no major points in terms of depreciation.

Governors were assured that the management accounts proved to be accurate and carried through the audit process well.

AGREED: to note the content of the update provided.

12 SUSTAINABILITY

The director: IT, estates and learning resources presented his report and the attached action plan. The college has made modest gains given that 90% of effort this year has been in relation to one project (the buses), which has been all-encompassing but very successful. Points of particular discussion related to this project, as follows:

- The college was reaching the point where the old model was no longer sustainable – all buses put on by the provider were full to capacity and could not have managed growth. Furthermore, the bus companies had a torrid time in terms of driver availability and usage through COVID, and the situation was looking difficult when the college came to look ahead to 2023/24.
- Colleagues strove to get two bus companies in the local area to

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enter into discussions, which had to be overseen by Nottinghamshire County Council to ensure there was impartiality. Over time, it was possible to persuade them that the college would put a significant number of people onto public transport.

- Since the implementation of the new scheme, the number of people using public buses has more than doubled, increasing revenue for the companies. It was particularly noted that a couple of routes that were at risk of closure due to lack of use have been reinforced, ensuring that the villages they serve continue to be provided for.
- Every stop and bus time has been renegotiated to accommodate West Nottinghamshire College's students.
- The college has also had to make changes – e.g. staggered start times – to avoid overcrowding.
- There were some teething problems, but the first real student forum of this year had a notable lack of bus-related complaints.
- Students can now get even as far as Newark on a single ticket.
- The director has persuaded East Midlands Rail into running a trial so, from January, the trains will also be incorporated into this ticket. The rail company has only promised up to June/July 2024, but the director is hopeful that he can evidence that this is a viable option moving forward.
- Trent Barton spent around £400k on increasing signage and other improvements, and the next step is to tie their new electronic system in with the college's.
- This has been a huge project, but the numbers are phenomenal with 1,100 more people now using public transport than last year. Data gathering is underway as the bus companies want to apply for awards on the back of this scheme, which the college is in support of.
- The data shows that students are using the service outside of college hours, including at weekends.
- The price for students is attractive. Plus, although this is subsidised heavily by the college, the college has still made a saving in running this model in comparison to what would have been the cost for the private bus provision.
- The challenge now is to look at next year – it would be great if some of those places with long travel times could have a 'flyer' route. This would help Mansfield to become the go-to place for these more outlying areas.

In relation to the other items on the sustainability plan, there have been some successes and some failures, but it has been a good start to the year overall.

The chair requested a progress update in relation to the solar panel project. The director indicated that he has been engaging with other parties more than with Total. There was a period of silence while the

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college contested some of their billing. The director met with other companies and looked at different options and now has some comparative quotes and models to look at. However, he does want to pick up with Total again as their model was unique. In terms of timeframe, he would like to move this forward in the first part of next year.

The director is also carrying out a large piece on decarbonisation, and he is using some of the recent funding to carry out surveys to give the college a bit of a building-by-building roadmap of what can be done.

AGREED: to note the content of the report.

13

BIDS UPDATE

Verbal updates were provided by the finance director and principal in relation to live bids:

- **Local Skills Improvement Fund (LSIF)**
 - This is government money aimed to help colleges to deliver on the LSIP which was published in the spring.
 - The college has had to bid in consortium with other D2N2 colleges, and some other providers have been wrapped in.
 - The bid has been successful and the full ask has been secured. This money is in three pots: green skills, digital, and employability or transferable skills.
 - Most of the £1.3m total is capital, and there is about £250k revenue which all needs to be spent by the end of March 2024. Plans for the spend are emerging.
 - It was hoped that a package relating to employability skills would be created and all seven colleges would work in harmony to make this interchangeable across D2N2. However, this has not happened and the college is now working with Inspire, Mansfield and Ashfield 2020 and a few other partners to agree something more locally.
 - During the pilot LSIF by East Midlands Chamber, an app was created which enabled the engagement of employers. The college is going to buy this app to help to obtain ongoing feedback to inform curriculum planning and employer engagement.
- **Mansfield Levelling Up Fund (LUF)**
 - Having secured £12.6m through the Towns Fund, Mansfield then obtained £20m through the LUF round 2, which will be spent entirely on rebuilding.
 - Using this money, the façade of the Beales building will be kept and the bit behind demolished and rebuilt as part of the Connect project.
 - The design process is reasonably well progressed, and partners will soon sign heads of terms.
 - The college's intention is only to have a training facility

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there that aligns with Jobcentre Plus, plus probably an office and two classrooms.

- The principal keeps pushing to encourage Mansfield District Council to get partners together.
- The community provision from the Four Seasons will be able to move into the Connect building once this is up and running.
- One matter for discussion is of the rent as it is acknowledged that the building needs to be sustainable but should not necessarily make a profit.

- Levelling Up Partnership (LUP)

- This is another £20m but the outcome of the bid is still awaited.
- The college has particularly bid for £5m to move the motor vehicle centre.
- It is thought that £5m from this funding will be added to the Beales project to enable this to become an exemplar of green building.

- Long Term Towns Plan Fund

- This is another £20m to be spent over up to 10 years, and it is broken down into 25% revenue and rest capital.
- Details are very vague – there is a need to create some sort of ‘towns plan’, and it is hoped that the Mansfield Strategy will serve in this regard.
- Kirkby-in-Ashfield has been awarded £20m out of this fund, but Sutton-in-Ashfield did not get anything.

In addition to the above, Newark and Sherwood District Council has just been awarded £20m from their Levelling Up Fund, which they will split between one project in Ollerton and another in Clipstone.

AGREED: to note the content of the update provided.

14 **PROJECTS**

Verbal updates were provided in relation to ongoing projects:

- Automated Distribution and Manufacturing Centre

- This will use funding from the Ashfield Towns Fund bid.
- The site will be built over the road from Station Park, and the land sale agreement is progressing rapidly.
- The design for the building is well progressed and launch events will happen in the new year. The principal will share dates in his report to the board.
- The aim of this facility is to support local, regional and national businesses to embrace opportunities around technology and to increase jobs for local people.

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- The Bolsover project crosses over between Station Park and Pleasley Mills.
 - This involves a grant from D2N2, which has been through full board approval by D2N2. The bid was originally won by Bolsover District Council, but the college has now taken the lead.
 - The project is getting close to commencement, and it will involve renting a large space at Pleasley Mills at a rental of about £10 per square metre, which is massively subsidised. The service charges have also been subsidised, so this is a very generous offer.
 - This will be an endpoint assessment centre for electrical, heat pump, refrigeration, solar panels, etc. so will not be in use every day.
 - Many of the people using this facility will have their own transport, so getting there will not be an issue.
- Investment in heat pumps at Station Park
 - The college is in conversation with Dakin about becoming a sponsored centre at Station Park and as part of this they would give a gift of equipment and ongoing support with assessment.
- Devolution green skills
 - The college has now spent around 95% of the grant, so this is almost complete.
- Other items of note
 - The college is about to sign an agreement with Ashfield District Council for their support for the £4m project in relation to in the construction centre. There is also a £2m civils project in the running, but there are still some issues with the available land in terms of it being a potential habitat for water voles.
 - It looks like rail track will move back to the engineering centre as the college cannot wait any longer for decisions to be made.
 - The college is finalising the £4.2m contract with Mansfield District Council in relation to the tech centre project. The grant agreement is awaited – it is important to get this in place as the college is hoping that the main contractor can start work in January.

AGREED: to note the content of the update provided.

15

ANNUAL REVIEW OF STANDING ORDERS

The report was presented by the clerk. The amendments were largely administrative, aside from one slight change to bring the external

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membership of the board to match that stated within the Instruments and Articles.

AGREED: to recommend to the Corporation Board that the standing orders should be amended as proposed.

16 ANY OTHER BUSINESS

In light of Charles Heaton's change of role into a co-optee on the committee, it is the case that the position of chair will be vacant from January 2024. It has also been suggested that all committees should have a vice-chair, which committee members were in agreement with. The clerk suggested that Edward Rawson be chair of this committee and David Ainsworth be vice-chair, and members were in agreement.

AGREED: from January 2024, to have Edward Rawson as chair of the Finance and Estates Committee, with David Ainsworth as vice chair.

17 DATE AND TIME OF NEXT MEETING

This was confirmed as 22nd January 2024 at 17:30.

It was agreed that confidential discussions would be recorded separately.

Gavin Peake left the meeting at 19:10.

Meeting closed at 19:30.

Signed :  _____ Chair

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