



## Business Committee Minutes

Meeting	Business Committee	Date	10 <sup>th</sup> June 2021
Location	Virtual via Microsoft Teams	Time	9.30am
Membership	Tim Kent (Chair), Charles Buchanan, Gail Clarke, Joanna Worby, Graham Razey, Gregg Skinsley-Stephens		
In Attendance	Chris Legg, Chief Financial Officer Andrew Stevens, Chief Operating Officer Sharon Hollingsworth, Director of Governance Paul Sayers, Chief Strategy Officer John Korzeniewski, Governor – Item 7		
Minutes Clerk	Nicole Leader – Executive Support Officer		

	ITEM	COMMENTS	ACTION
1	Welcome and apologies for absence	The Chair welcomed everyone to the meeting and thanked them for their time.	
2	Declarations of interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meeting held 11 <sup>th</sup> March 2021	The minutes of the Business Committee meeting held on 11 <sup>th</sup> March 2021 were reviewed by the Committee members and approved as a true and fair account. The minutes will be signed digitally by the Chair following the meeting.	
4	Matters arising not covered by this agenda	Restructuring Facility Repayment – <i>this item was considered confidential and will form Confidential Minutes Part A</i>	
5	Environment & Sustainability update	The Group has been working with the Carbon Trust and calculated that the Group emits 2980 tonnes of carbon dioxide equivalent (2980 tCO <sub>2</sub> e) each year. Ashford and Spring Lane were not included in this calculation as we were not passed sufficient information when the transfer happened. We are currently working to include them.	

		<p>A Climate Change Working Group has been formed consisting of staff, students and a member of the Governing Body. This Group looks at a number of climate-related initiatives to improve our environmental credentials at the colleges. The next stage is to commit to becoming become a net zero-carbon emissions Group. Date tbc but probably 2030.</p> <p>A Governor asked what we are doing to encourage students to follow up the good practices observed at Colleges. AS replied that the Group will challenge students to be climate change ambassadors and reiterate the importance of carrying these practices out whilst in and out of College.</p> <p>A Governor asked if the final Sustainability Strategy will be presented to the Business Committee. AS confirmed that when the document is finalised it will be presented to the Business Committee for recommendation to the Full Governing Body for approval.</p> <p>A Governor asked if we are putting in electric car charging points in the college car parks. AS replied that this is currently being looked at.</p>	
6	<p><b>Update on performance of Group Commercial activity</b></p>	<p>T Tracy Flower, Director of Commercial Operations was unable to attend the meeting therefore CL presented the update on the performance of the Commercial activity and highlighted the following key points to the Committee:</p> <p>The Yarrow Hotel is currently struggling with recruitment to key chef posts and is therefore unable to provide lunch in the restaurant due to the situation.</p> <p>Anne’s restaurant at Folkestone College has 21 vacancies currently being advertised.</p> <p>A Governor commented on the high number of bookings at the Hotel and questioned if it will break even this year. CL informed the Committee that due to the Hotel closures during the pandemic the hotel will not break even. A Governor asked about the recruitment plan to fill the staff vacancies. CL commented that there is a national shortage of experienced catering staff, especially chefs and a wages war is emerging for the lower paid chef vacancies.</p>	

		<p>A Governor asked if a risk assessment is being carried out to assess the nursery extension to ensure it is safe for staff, students and occupants. GR commented that Education Services are leading on the implementation of the extension and this will be covered in the due diligence.</p> <p>A Governor asked if the Group is concerned with the office space rentals due to the new working arrangements as a result of the pandemic. CL commented that we only have two longer-term lettings spaces un-let. The remaining of the rentals are short-term and have largely remained unoccupied throughout the pandemic.</p>	
<b>Strategic</b>			
7	16-19 Capacity Fund Application	<i>This item was considered confidential and will form Confidential Minutes Part A.</i>	
8	Budget Strategy 2021-22	<p>L presented the draft Budget Strategy for 2021-22 and highlighted the key factors from the report and invited questions.</p> <p>The Committee discussed the following risk factors: The trajectory of growth is supported by application data, due to the lagged learner system CL explained that we could potentially have students which will not be funded. No guarantees of the in-year growth payment that is budgeted at approximately £1million.</p> <p>A Governor asked if the worst scenario was to happen what would the affect be on the EBITDA. CL confirmed that the EBITDA would decrease but would not place the Group in an difficult position.</p> <p>GR noted that last year the funding notifications came in February/March.</p> <p>The Committee noted that if the Group is successful with the capital bids, the financial health could be temporarily affected and would reduce below the true underlying level in the short-term. CL clarified that the ESFA can be informed of the capital programmes taking place and the effect that these are having on the Financial Health can be moderated upwards.</p>	


		<p>CL forecasted that the financial health will be good for 2021/22 but the precise financial health score will be confirmed when the budget has been finalised for the Full Governing Body meeting in July.</p> <p>A Governor asked if we are successful with all the bids, is there a risk in the capacity to manage the funding. CL commented that a capital accountant to support the Group could be recruited and funded by the projects.</p>	
9	FAR Academy update	<i>This item was considered confidential and will form Confidential Minutes Part A</i>	
10	EKC Margate Digital update	<i>This item was considered confidential and will form Confidential Minutes Part A</i>	
<b>Reporting</b>			
11	<b>Gender Pay Gap Report</b>	<p>SS presented the Gender Pay Gap 2020 report and the key matters to report are as follows:</p> <p>Declining position in the gender pay gap, combination of issues has led to this situation which are outlined in the report.</p> <p>A Governor stated that the data is extremely disappointing and asked whether the males who were in the lower percentile in the first half of 2020 were promoted to roles in the middle percentile or did they leave employment. SS commented that it was his view that they were promoted.</p> <p>A Governor asked about the action plan coming from this report. SS responded that there are actions within the report. The People Strategy is currently under development and the actions from the gender pay gap report will form part of the strategy.</p> <p>The Committee agreed that it would be beneficial to identify the roles in the lower category.</p> <p>A Governor asked whether the impact of the lock down had a bearing on the data. SS feels that the pandemic did not have a significant impact on the data.</p>	

		<p>A Governor was asked for their view on the issue as a member of staff. They commented that some staff feel there is limited progression depending on what Business Unit they work in and their role.</p> <p>A Governor commented that some of the comments in the report need further explanation so not open to misinterpretation. The Committee agreed and requested that the document be reviewed by legal before publishing.</p> <p>The Committee noted that they are disappointed with the negative movement within the report and require the issues to be addressed rapidly with positive steps to address areas of concern.</p> <p><b>AGREED:</b> SS to produce an early report on current position this will be presented to FGB alongside the updated version of the 2020 Gender pay gap report.</p> <p><b>AGREED:</b> The monitoring of the pay gap position to be undertaken by the Business Committee at every meeting moving forward as a standard reporting item.</p>	<p>SS</p> <p>SS</p> <p>SS</p> <p>SH</p>
12	Draft Fees policy	<p>CL presented the Fees Policy and highlighted the changes identified within the Policy and invited questions.</p> <p>It was noted that the Policy had been reviewed by the Group’s internal Policy Committee prior to the meeting and all presented changes had been approved.</p> <p><b>RESOLVED:</b> The Committee approved the Policy on the assumption that no financial regulations are affected, in which case Full Governing Body will need to approve.</p>	
13	April Management Accounts	<p>CL presented the April Management Accounts which includes the Q3 Re-forecast.</p> <p>CL presented a positive position and ultimately good financial health is predicted to be retained at the year end.</p>	<p>SH</p>

		May accounts will be presented at the Full Governing Body meeting and circulated to Business Committee Members when available.	
14	List of outstanding leases and charges on land	<i>This item was considered confidential and will form Confidential Minutes Part A</i>	
<b>Procedural</b>			
15	Any other business	<p><u>Subsidiary Companies:</u> It was noted that the Group had established its first subsidiary company being The Folkestone College Restaurant Ltd although it is not currently operational. It was noted that the setup of subsidiary companies is part of the Group's strategic priorities approved by the Full Governing Body.</p> <p>CL requested approval from the Committee to proceed with the setup of The Yarrow Hotel as a limited company to be active from the 1<sup>st</sup> August 2021.</p> <p>A Governor asked why separate companies for each unit and not one commercial company for all. CL responded different companies perform different activities and may need different terms for each company.</p> <p style="text-align: center;"><b>RESOLVED:</b> The Committee approved the setup of The Folkestone College Restaurant and The Yarrow Hotel as subsidiary companies.</p>	
16	Matters considered confidential	<p>Item 4 - Restructuring Facility Repayment</p> <p>Item 7 - 16-19 Capacity Fund Application (until submission)</p> <p>Item 9 - FAR Academy</p> <p>Item 10 - Margate Digital update (until submission)</p> <p>Item 14, List of outstanding leases and changes on land</p>	
17	Date and time of next meeting	Thursday 25 <sup>th</sup> November 2021	



There being no further business the meeting closed at 11.58am

Signed:  .....

Print: TIM KENT .....

Date: 25/11/2021 .....



The FGB Chair, CEO and the Director of Governance have been given delegated authority by FGB to review confidential minutes on an annual basis. The following minute was released for publication following the review panel meeting held on 10 October 2022. The Business Committee Meeting of 10/6/21 Confidential Minute Number 7

	ITEM	COMMENTS	ACTION
7	16-19 Capacity Fund Application [Item considered confidential until 16-19 Capacity Funding application is submitted to the ESFA]	<p>[JK joined the meeting at 10.05]</p> <p>PS presented the 16-19 Capacity Fund Application and apologised for the late arrival of some of the documents.</p> <p>A Governor asked how we are funding our financial share, PS replied it will be from the Group's own cash generation. PS highlighted to the Committee that we are applying for many bids and when we know which have been successful, we will need to prioritise these depending on the outcome of the bids.</p> <p>A Governor asked for clarification regarding the conditions and charges associated with the funding. PS commented the key is managing the fund and complying with the conditions of funding and delivering the project within the timescales. The Grant letter will detail the actual conditions.</p> <p>A Governor questioned how the bid fits in with the needs of Ashford College and further commented that they felt it was a good fit, but noted that T-levels will need to be planned.</p> <p>The Committee discussed the Wotton Road move, and all were in favour.</p> <p>Following further discussions, the Committee agreed that the presented proposals were well thought through and were important to make Ashford College a successful and growing College.</p> <p>GR clarified that the growth is not based on displacement from other Colleges in the Group. The Colleges try to place students at their local college.</p>	



		<p>A Governor asked about an alternative plan if the application is unsuccessful. PS commented that we will look at external funding support from external key stakeholders. By September 2022 it is likely that the College will be turning students away therefore a re-order of capital priorities would take place.</p> <p>A Governor asked for clarification regarding the Group's minimum funding commitment for this bid. PS confirmed £700,000.</p> <p>A Governor asked if we could do anything to increase the probability of being successful and could we better our chance of acceptance by increasing our commitment. The Committee discussed that they could increase the Group's commitment by including equipment, but PS commented that will not increase the score. GR commented that discussions which have taken place with the local authorities to gain their support for the expansion of Ashford College would be more successful in increasing the chances of the bid. Support would also be sought from the local MP.</p> <p>The Chair drew Governor's attention to the agreed e-resolution by the Governing Body dated 8<sup>th</sup> June 2021 that delegated authority to the Business Committee to approve the capital project proposal to create expanded Engineering, Business and IT accommodation at Ashford College so that a 16-19 Capacity Funding application can be submitted to the ESFA by the deadline date.</p> <p>The Chair invited each Governor to confirm their individual agreement to the project proposals and submission of the 16-19 Capacity Funding application.</p> <p style="text-align: center;"><b>RESOLVED:</b> The Committee unanimously approved the presented project proposals and 16-19 capacity fund application to be submitted to the ESFA by the deadline.</p> <p>[KJ left at 10.35am]</p>	PS
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