



Business Committee Minutes

Meeting	Business Committee	Date	17 March 2022
Location	Folkestone - Executive Boardroom	Time	9.45am
Membership	Tim Kent [Chair], Charles Buchanan, Gail Clarke, Joanna Worby, Graham Razey [CEO]		
In Attendance	Chris Legg – Chief Financial Officer [CL] Dan Shelley – Chief Transformation Officer [DS] Paul Sayers - Chief Strategy Officer [PS] Sharon Hollingsworth – Director of Governance [DG] Nicole Leader – Executive Support officer [Minutes Clerk] Paul Simpson – Director of Human Resources [PSI] Item 9 Alison Gray – Director of Corporate Affairs [AG] Item 10		

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	Members welcomed Dan Shelley to the Business Committee	
2	Declarations of Interest	No declarations of interest were declared other than those already standing.	
3	Minutes of the Meeting held 25 November 2021	The minutes of the Business Committee held 25 November 2021 including confidential minutes were agreed as an accurate record and were duly signed by the Chair.	
4	Matters Arising	Local Government Pension Scheme (LGPS) Report CL apprised the Business Committee of the historical LGPS position and its impact on the financial position of the Group from 2014 and invited questions.	

		<p>A Governor asked if we could do anything regarding the increase in LGPS Employers rate. CL responded that we could offer an alternative pension scheme for some employee groups, but that would potentially take younger employees out of the scheme, and the scheme needs the younger generation to financially support the scheme.</p> <p>CL clarified that the Accounting Standards Board defines the required accounting treatments of scheme's assets and liabilities within the Group's financial statements.</p> <p>It was noted that the Group employs a significant number of LGPS members, therefore any changes to the employer rates need to be funded through efficiency gains as increases do not come with additional funding.</p> <p>The Committee discussed the financial impact to the Group should the employer's rate continues to rise and acknowledged that the performance of the KCC LGPS is not something in the direct control of the Group. Any plans being considered by the Group need to take account of these potential costs.</p> <p>It was noted that the assumptions from the actuaries can be challenged but it does not result in any material gains in the reporting.</p> <p style="text-align: center;">NOTED: Local Government Pension Scheme Report</p>	
5	Property Strategy update	<p>DS presented the property strategy update paper focusing on the main elements of the capital programme and invited questions from the Committee.</p> <p>It was noted that good progress has been made on the big six projects.</p> <p>DS confirmed that the Group still awaits confirmation regarding the ESFA funded Transformation bids which are due at the March 2022.</p>	

		<p>There is a newly formed internal Project Management Team to support the projects and a project management system “Wrike” is currently being implemented.</p> <p>A Governor questioned the impact on the Dover Technical College projects if the wider development was not to happen. It was clarified that the motor vehicle workshop can be a stand-alone project if the wider development was not to go ahead. It was noted that the Motor Vehicle and Engineering facilities are required to deliver the T-level provision at Dover.</p> <p>A Governor asked how Woodley-Coles are performing. DS explained that the Project Managers are split between several projects The internal project team track progress of all external Project Manager’s.</p> <p>The overspend on the Folkestone project was noted. A Governor questioned how overspends on projects can be avoided. CL advised that the design for Folkestone College was done some time ago and the increase in materials has had an impact on this project. Current projects are being costed to check that costs are realistic. Governors were keen to review actions being taken to avoid future over-runs .</p> <p>The Business Committee discussed ways of controlling overspend and how this should be reported to the Committee. The Committee is comfortable with the Group leadership team managing overspend, however it was agreed that overspends need to be reported to the Business Committee in a timely manner. It was suggested that monthly capital accounts on the capital build programmes should be reported to Committee members.</p> <p style="text-align: center;">AGREED: Monthly capital accounts on the capital build programme to be reported to Committee Members NOTED: Property Strategy Update</p>	CL
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6	Group Developments	This item was considered confidential and will form Confidential Minutes PART A.	
7	January Management Accounts includes Q2 re-forecast	<p>CL presented the January management accounts and gave a short update on the current financial position highlighting the following points:</p> <ul style="list-style-type: none"> - The presented set of accounts includes the Q2 re-forecast - Adult Education Budget (AEB) income is down against budget, plans are in place to improve the shortfall. New courses marketed and investment in a marketing strategy has led to a positive take up but early days. - AEB in the February management accounts is a small, but positive variance. - Savings on pay costs due to a high number of vacancies across the Group are reducing but on-going. - Savings have been made on non-pay but due to the Community Renewal Fund there will not be an overall positive variance against the original budget. - There is a monthly claim for the CRF which demonstrates how and when we have spent the fund. <p style="text-align: center;">NOTED: January 2022 Management Accounts.</p>	
8	Appointment of Main Contractor, Motor Vehicle new build at Dover Technical College	<p>CL presented the report which included Woodley Coles recommendation regarding the appointment of the main contractor for the Dover Motor Vehicle workshop. This is a two-stage tender process to establish a preferred building contractor.</p> <p>Committee members scrutinised the detail in the presented tender report and challenged the CFO as members were concerned that the recommendation was not clear and that there was a lack of emphasis on quality. The Committee requests that Woodley Coles re-visit the report and re-submit an addendum to their report for consideration by Business Committee members ahead of the FGB on 29 March 2022.</p>	

		<p>AGREED: Woodley Coles to revisit report and re-submit paper for Business Committee review ahead of the FGB meeting on 29 March 2022</p> <p>RESOLVED: Business committee approved the spend of the £450,000 first stage works materials</p>	CL
9	Gender Pay Gap Report	<p>Paul Simpson joined the meeting at 11.00am to present the Gender Pay Gap report and reported the following:</p> <ul style="list-style-type: none"> - Errors previously identified have now been fully rectified and published reported correctly. - Higher percentage of females remain in the lower quartile. - Measures have been put into place to bridge the Gender Pay Gap Groupwide. - Gender Pay Gap Report 2021/22 will be published at the end of 30th March 2022. - Labour turnover rates are high. To gain more in-depth reasons of why turnover is so high exit interview data will be analysed. - Data for this report is input manually. A systems review is currently underway, and part of this review will include software for reporting annually on Gender Pay Gap. - Weston College currently has excellent pay gap rates. There is no obvious reason for this and further exploration of this would be recommended. - The Committee has requested that in the next Gender Pay Gap Report there is reference to the impacts of the measures put in place. <p>PS left the meeting at 11.13am</p> <p>RECOMMEND: Gender Pay Gap Report to the Full Governing Body</p>	
10	Update on performance against Health,	Alison Gray joined the meeting at 11.14am to present the update:	

	<p>Safety and Wellbeing Policy</p>	<p>AG informed that Committee that she had concerns regarding the lack of Health and Safety resource and this is currently being explored by the Group Leadership team.</p> <p>Covid cases are escalating at all sites. No concerns reported as all sites are compliant with all Covid measures.</p> <p>Health and Safety is at a good standard and has not slipped during the pandemic.</p> <p>Following the fire at Broadstairs College the Committee asked if any additional fire safety measures have been put in place. AG advised that the Fire Service team are visiting all sites to advise on any additional measures. The Group's fire procedures are also under review.</p> <p>The number of non-work-related incidents has increased. This is considered a direct result of Covid but has since decreased following the start of term.</p> <p>The Committee questioned why governors had not been informed of the fire. It appeared there was no reporting process in place for Governance. The Business Continuity Plan needs to be explored to ensure it includes reporting to the governing body.</p> <p>AG left the meeting at 11.23am</p> <p style="text-align: center;">NOTED: Update on performance against Health, Safety and Wellbeing Policy.</p>	
11	<p>Current cases in HR and potential impact on reputation</p>	<p>GR reported on the current number of cases in HR and the potential adverse impact on reputation and financial position.</p> <p>The Committee noted that there is now an internal report which rates cases low, medium, and high. This is based on reputational and financial risk. All cases are reviewed independently, and possible solutions worked through.</p>	

		<p>The cases are managed locally depending on how far the case escalates and what area of the business it relates to.</p> <p>GR clarified that there is no trend data available as this a new system. In GR's opinion the trend has risen but unsure if all cases have been reported in the past. After a review it appears that some cases are quite old.</p> <p>There is now a budget line within the accounts for potential legal cost of HR cases.</p> <p>The Committee acknowledged that they will need to have a watching brief over this situation and asked for regular updates from the CEO. The CEO agreed to bring a verbal update as required.</p> <p>It was noted that staff vacancies across the whole Group are significantly high, this is putting additional pressure on staff and should be monitored by the Business Committee, also.</p> <p>AGREED:</p> <ul style="list-style-type: none"> • Current cases in HR and their potential impact on reputation and financial position to be reported on a regular basis moving forward • Report on vacancies and recruitment to the next Committee meeting. <p>NOTED: Current cases in HR and the potential adverse impact on reputation and financial position.</p>	<p>DG</p> <p>PS</p>
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12	E-resolutions	<p>Written Special Resolutions of the Business Committee being presented for formal minute:</p> <ul style="list-style-type: none"> - 3 February 2022 to consent to the purchase of community beneficiary laptops, the contract value being £433,200.00 (inclusive of VAT) to support the delivery of EKC Group Community Renewal Projects in Kent - 23 February 2022 to consent to an order being raised to the value of £194,319.53 + VAT to enable the purchase of supplies for the new training kitchen which forms part of the new build project at Folkestone College. The Project Manager has undertaken a procurement exercise and the lowest-priced response has been selected. The successful company is Kent Commercial Kitchens. 	
13	AOB	No other business	
14	Matters Considered Confidential	Item 6 – Group Developments	
15	Date of Next Meeting	Thursday, 23 June 2022 at 9.30am at Canterbury College	

There being no further business the meeting closed at 11.39am

Signed: 

Print: TJKENT

Date: 29/June/2022



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 11 October 2023.

Business Committee Meeting of 17/03/22 Part A Confidential Minute Number 6

	ITEM	COMMENTS	ACTION
6	Ashford College Phase 2B	<p>PS presented the Ashford College Phase 2B paper drawing attention to the executive summary therein and noted the following points:</p> <ul style="list-style-type: none"> - Planned growth at Ashford College, linked to the significant demographic growth and increases in market share in the area. - Phase 2B will enable the Group to relocate all 16-19 provision from Wotton Road to the main campus and generate additional income from the end point assessment centre at Wotton Road. - The project costs for Phase 2A have increased due to delays from ESFA, increased cost of materials and contractors, and other inflation pressures. If phase 2B of the project is completed at the same time this will provide cost efficiencies. - There is a small amendment to planning PS is working with Ashford Borough Council to agree. - Plan to open in September 2023. Members of the Committee will be asked to take part in the selection panel for the main contractor. <p>A Governor asked if the borrowing rationale remains under 30%. CL confirmed this is the case.</p> <p>PS confirmed that where the report indicates EKC Group cash this is in relation to the loan and cash element.</p> <p>CL clarified that the rise in interest rates is included in the ESFA planning model. A fixed rate is the preferred route - a revolving credit facility for the duration of the project will be in place, which will then be converted into a term loan at a fixed rate.</p>	



		RECOMMEND: Ashford College phase 2B to the FGB for approval	
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