



**St Brendan's Catholic Sixth Form College  
Board of Governors**

**OPEN – MINUTES**

**Special Virtual Meeting** Held On: Wednesday 13 March 2024

**at 16:00– 16:20 hrs**

**Governors Present:** Svetlana Bajic-Raymond [Chair of Governors], Roger Bridgeman, Antonia Corrigan, James Creamer, Marian Curran [Principal], Sr Margaret Harlock MB, Marie-Claire Harper [Vice Chair of Governors], Michelle Hazelwood, Daniel Smith, Iain Turri, [10]

**Apologies:**, Bethany [Bea] Channing-Cone, Mark O'Sullivan, [2]

**Absent without Apology:** Margaret Abazie-Humphrey, Deborah Redwood, Paul Ryan, Peter Turner, [4]

**Attending:** Peter J Harrison [Governance Professional],

**Quorum Present:** 10/16 [includes required minimum of 4 Foundation Governors]

**Documents Circulated/Tabled\* at Meeting:** Draft Budget 24-25 Assumptions

**Circulation:** All Governors, Governance Professional, Principalship, & [College Website after signature if declared OPEN].

ITEM	ISSUES RAISED IN DISCUSSION	AGREED ACTION
<b>1. Welcome</b>	<p>1.1 Welcome: Svetlana Bajic-Raymond [Chair of Governors] opened the meeting with prayer.</p> <p>1.2 Apologies: Bethany [Bea] Channing-Cone, Mark O’Sullivan [2]</p> <p>1.3 Absent without Apology: Margaret Abazie-Humphrey, Deborah Redwood, Paul Ryan, Peter Turner, [4]</p> <p>1.4 Quorate: The meeting was declared quorate.</p>	
<b>2. Declarations of Interest</b>	<p>2.1 Declaration 2023/2024 Access/Equality/Safeguarding Declaration: There were additional no oral declarations.</p>	Next Agenda
<b>3. Draft 2024-25 Budget and Cash Flow issue.</b>	<p>The draft budget for 2024-25 was shared earlier in the day.</p> <p>MC gave an overview of the current situation.</p> <p>As a college we would aim for about 25 days cash balance in hand. The cash in hand balance has run down to a level which is below 25 days in hand and the college are working with the ESFA on this issue.</p> <p>The Principal and Executive Finance Director met with the ESFA and they have identified through careful cashflow monitoring where the college could become overdrawn. To mitigate these events the college has asked for the July payment to be rolled forward to March.</p> <p>Looking at our cash position moving forward, we have informed the ESFA that this is a cash blip, and the position will be improving in the years to come.</p> <p>We are asking governors for approval to ask for an advance of the July payment in order to maintain the college cash position. We are also providing the ESFA with a draft budget for 2024-25.</p> <p>The causes of the blip are; less funding for 2024 based on lagged student numbers where we had less student recruitment, inflation, increased costs, the staff pay award, and all of these reasons have also impacted on our capital project.</p> <p>It was noted that bringing the July payment forward will buy sufficient time to ensure that the mitigations the college has put in place will bring in savings in the next few months and thereby improve the cash position by the end of the year. Even with a risk averse projection, even if the mitigations are not successful, we will still see a cash positive position at the year end.</p> <p>We know recruitment last Autumn has improved on the previous year, which has improved our funding position for 2024-25. In our submission of our draft budget, some assumptions have been made, however our Executive finance director is</p>	

	<p>preparing the budget for the year ahead based on an informed position re staffing costs, and over college costs. The biggest assumption is the pay award, and what the college will be able to afford.</p> <p>SB has modelled cash balances for the next year, assuming the mitigations are put in place and successful, we will see an improvement in the cash position by July 2025 of £617k.</p> <p>The target of 25 days' worth of cash is the sector average for running operations, and is to ensure we have enough to manage for a certain time. We replay our loan obligations etc from the cash balance, so we need a higher balance to ensure we are able to manage this.</p> <p>The critical thing at the moment is to ensure we do not go overdrawn in the short term.</p> <p>The forecast ensures we meet the covenant of the loan, which is a target of a net operating surplus of £356k.</p> <p><b>Q – Is it possible to stop or delay things on the 3G project to get us past the July date?</b> There is an outstanding payment which we sit on until the end of the defects period – all of the work is complete.</p> <p><b>What are the consequences of asking for the advance payment?</b> There do not appear to be any consequences. They were seeking reassurance that this would not simply defer the problem, which we are aiming address with the weekly cashflows to the ESFA and our careful budgeting for next year. This is called a reprofile of payment – we are not drawing from next year's payment.</p> <p>Recruitment for this year and next year has been strong, which will improve funding. They will likely keep a very close eye on the finances. Do not feel there will be any concerns.</p> <p><b>Q - On the net operating surplus, the end of the year amount is below the covenant amount – what is the outcome of this?</b> SB has alerted the bank of that figure and they responded that they measure retrospectively, so this is ok for this year. At the end of this academic year, they will look at the figure and assess the risk of defaulting by looking at the budget for 2024-25 and are likely to assess that there is no risk.</p> <p><b>Q – Is the predicted interest building in a reduction of base rates?</b> No this is the changing profile of the loan repayments as the ratio of principal to interest, with an assumption of the same rate.</p> <p><b>Q - The Student Union have now been told that they no longer have £17k in their budget that they had previously had, and have also been told to print less etc. – what tangible impact will this have on students etc?</b> The printing issue is something that has been an issue for some time, and that the college have been trying to reduce for a while – for sustainability reasons as well as cost reasons.</p> <p>In terms of the fund, it is still there – it shows on the balance sheet as money owed to the Student Union, but it does form part of the overall cash balance, so we would like to be able to avoid allocating it, so that it can remain as part of the cash balance while the cash balances recover. This means that, if the spend was to be on physical projects, these would probably not happen until the summer by which time the cash flow issue will be less problematic.</p>	
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	<p><b>Q – What about the wider impact on students?</b> We have looked at a range of areas where we can reduce spending. The biggest area is planned improvements and maintenance – will continue to meet needs for day to day repairs, health and safety, operations etc. but there will be some savings on other areas of our operations.</p> <p><b>Q – What are the other areas of mitigation?</b> Holding on some capital estate spending, only ordering what is essential and assessing what can be postponed, reducing agency cover costs, day to day spend.</p> <p><b>Q – What is plan B if the payment is not granted in advance?</b> The ESFA have been asking for weekly cash accounts, so we know where the cash is going. They have been confident about the level of detail and have had the conversation about the reprofiling of the payments. Felt on Monday that they were advocating for the bringing forward of a payment to alleviate the position in March/April.</p> <p>They have requested the draft budget and an overview of the balance of where we will be between now and July. Concern expressed around the assumption of 2% for the pay rise. Noted that there is no agreement on what every college can afford – one of the wealthiest can only afford 2%. Despite being part of a collective bargaining process, we are not bound by that.</p> <p><b>Q – How will this affect the financial rating from the ESFA this July?</b> We will need to complete the College Financial Forecast Return. Will need to run the numbers through the calculator, and this is likely to come up with some “inadequate” ratings, but our projected cash position should go back to “good” when we finish the numbers for 2024-25. There will be further work on preparing the final budget.</p>	
<p><b>4. Appointment</b></p>	<p>4.1 Submit draft budget and request for advance payment to the ESFA:</p> <p><u>Proposal</u></p> <p>‘That the Board of Governors approve the submission of the draft budget and request for reprofile of payment to the ESFA’</p> <p>Proposed: Roger Bridgeman  Seconder: Daniel Smith</p> <p style="text-align: right;">For: 10  Against: 0  Abstention: 0</p> <p>The proposal was adopted.</p>	
<p><b>Minutes</b></p>	<p>Wednesday, 13 March 2024</p>	

<b>Prepared</b>	Leanne Sowersby [ <i>Governance Professional</i> ]	
<b>Minutes Agreed</b>	<b>Minutes Approved</b> <b>Date</b> <b>Wednesday, 27 March 2024 at 16:00</b>  <b>Signature</b> _____ <b>Chair of Governors</b>	