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| **MINUTES** |
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| *Finance and Resources Committee No 41* |
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| Date: |   | *29/11/2022 (Tuesday)* |   | Time: |   | *18:00–20:00* |
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| Venue: |   | *Via Teams* |   | Committee: |   | *Finance and Resources* |
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| Notes: |   | *The meeting will be held online via the Teams platform.* |
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| Present: |   | *Alison Robinson (Principal), Allan Foster, Clare James (Vice Chair), David Hall, Rosie Bryson (Co-opted Member) and Sue Collinge (Chair)* |
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| Attending: |   | *Janet Whiteside (Director of Finance), Joanne Sherrington (Deputy Principal), John Wherry (Deputy Principal) and Steven Downham-Clarke (Vice Principal)* |
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| Clerks: |   | *Ron Matthews (Clerk)* |
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| Guests: |   | *Charlotte Walsh (External Auditor)* |
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| ***Public* Minutes** |
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| Item number: | Item description: |
| (and category) |   |
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| **65.22** | ***Attendance of College Management Staff*** |
| ***Decision*** | Section 8.2 of the current Constitution and Terms of Reference for the Finance & Resources Committee states:College management and/or consultants may attend meetings by invitation in an advisory capacity.**Resolved:****That** **College Management Staff attend the meeting.** |
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| **66.22** | ***Apologies for Absence*** |
| ***Record*** | Apologies had been received from Alison Robinson and Rosie Bryson. |
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| **67.22** | ***Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Finance & Resources Committee meeting number 40 held on Tuesday 13 September 2022 (published on the extranet) were agreed and signed as a true and correct record of the meeting. |
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| **68.22** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **69.22** | ***Financial Statements Auditors Report, Financial Statements for the Year Ended 31 July 2022 and Auditors Findings Report*** |
| ***Decision*** | The Committee considered the above documents which included the draft Findings Report for the year ended 31 July 2022 together with the draft Auditors Report & Financial Accounts for the same year. Charlotte Walsh, of RSM External Auditors, was in attendance and presented the report.The key points of the Audit Findings Report highlighted that:* RSM had nothing to report in respect of additional audit, accounting and       regularity issues identified during their audit and regularity work.
* no unadjusted or adjusted misstatements in the financial statements.
* gave a true and fair view of the state of the College’s affairs as at 31 July 2020.
* had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

The Audit Findings Report had been considered previously by the Audit and Governance Committee. There was one unadjusted misstatement for £54,161 being the judgemental extrapolation of the error identified but did not constitute a major issue. There were no other areas of significant concern to bring to the Committee’s attention.The Committee thanked Charlotte for her presentation and work on the audit.**Resolved:****That the Committee recommend the reports to the Corporation for adoption.** |
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| **70.22** | ***Strategic Plan Progress Report*** |
| ***Decision*** | The Committee considered the report of the Principal on the Strategic Plan update as at 31 October 2022.  Staff sickness and the Riddor accident rate were all better than the agreed targets although retention was above target and greater that AoC average. The remaining targets under People related to student responses to ''feeling safe'' and these were slightly below target. Sustainability indicated that current surplus was behind target. The remaining financial indicators were on or close to target apart from HE income which was behind target. Recruitment to FE was below target. The Capital Plan was anticipated to be delivered within target.**Resolved:****That the report be received.** |
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| **71.22** | ***ESFA Correspondence*** |
| ***Decision*** | The Committee considered a letter from the ESFA indicating that the College's Financial Health Grade for 2021/2022 was Outstanding and that for the current year, 2022/2023, based on the agreed budget, would be Good.Also circulated with the letter was a financial dashboard compiled from the financial returns from Myerscough and other colleges and details for Governors on how to access the dashboard.A Governor sought assurance that in view of the current economic climate and the reduction in HE numbers referred to in the finance report, was a ‘Good’ outcome for the current year still achievable. The Deputy Principal, Finance and Corporate Services, advised the Committee that she believed a grade of ‘Good’ would still be achieved.**Resolved:****That the correspondence be noted.** |
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| **72.22** | ***Financial Position Statement for the Period Ended 31 October 2022*** |
| ***Decision*** | The Committee considered the report of the Deputy Principal, Finance and Corporate Services, on the financial performance up to 31 October 2022.The financial surplus of £318k was £103k behind budget, mainly due to HE numbers being below target. The actual financial loss for the period was £171k which was £429k behind budget.Staff costs as a percentage of income was above the target of 58% standing at 62.1%.At period end both cash balances of £14.411m and 162 cash days remained very strong.Current surplus and staff costs were below the FE Commissioners financial benchmarking targets although the financial grade remained good. Apprenticeships numbers and income remained positive with the Farm performing slightly better than budget.As part of the finance report reference was made to the announcement, on the morning of the meeting by the ONS, that colleges would be transferred to the public sector. A report on this matter would be placed on the agenda for the Corporation meeting on 13 December 2022.Following questions from Governors it was:**Resolved****That the report be received.** |
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| **73.22** | ***Student Association Annual Accounts for the Year ending 31 July 2022*** |
| ***Decision*** | The Committee considered the above accounts and noted that there was no contribution from the College this year. Overall the Student Union made a loss of £7,246.10 for the year.Prior to the pandemic it had been agreed to spend all sums within the Student Union account on the wider student enrichment activities and 2021/2022 saw the final commitment of these funds. The Committee were requested to agree to close the student current and charity accounts. The current charity funds would be paid to Lancashire MIND. All future investment in student activity would be funded through the College budget. All fundraising activities would be paid into the designated fundraising account code and then distributed to the named charities.**Resolved:****That the report be noted and that the Committee agree to the closure of both the Student Union account and fundraising account.** |
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| **74.22** | ***Tuition Fees Policy 2023/2024 - Review*** |
| ***Decision*** | The Committee considered the Review of the Policy on Tuition Fees. The Director of Finance, reported that there had been minimal changes to the policy following the major review last year.The Committee then agreed the revised policy on Tuition Fees for 2023/2024.**Resolved:****That the Tuition Fees** **Policy 2023/2024 be agreed.** |
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| **75.22** | ***Insurance Report*** |
| ***Decision*** | With the College having appointed a new insurance provider, FE Protect, with effect from the 1 August 2022, the Deputy Principal, Finance and Corporate Services, provided a report informing the Committee of the level of cover provided. The contract period was 3 years commencing 1 August 2022, with a potential to extend for 1 plus 1 years (maximum 2 years), subject to satisfactory performance and mutual agreement.**Resolved:****That the report be received.** |
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| **76.22** | ***Statutory Risk Register*** |
| ***Decision*** | Members considered the elements of the Risk Register applicable to Finance & Resources Committee.Members noted that the risks identified were firstly classed as 'Inherent Risks'. Actions taken to mitigate these risks resulted in the 'Residual Risks'. The report also included the review of the College Risk Appetite and a definition of scoring matrix. Failure to recruit staff, particularly academic and finance staff, and cybersecurity remained high risks.**Resolved:****That the report be received.** |
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| **77.22** | ***Human Resources Report for the Period Ended 31 October 2022*** |
| ***Decision*** | The Committee considered the above report which contained an analysis of staff turnover, breakdown analysis of leavers, staff stability index and staff sickness statistics for the year up to 31 October 2022.The Committee noted that staff turnover, the percentage of workers who leave, was currently 18.1%, including 15% for management staff, 16.9% for teaching staff and 20.3% for support staff. The same data period for the previous 12 months (2020/2021) showed the turnover was 13.2%, including 4.88% for management staff, 12.2% for teaching staff and 13.7% for support staff. The UK Colleges average was 14.8%, with northwest colleges standing at 12.8%.Overall staff sickness was 1.7% and was being closely monitored. This was below the target of less than 3%. Long term sickness of 5 employees was just below the target of 6. The average number of working days lost due to sickness per employee was 4.41 days.The team had supported 113 vacancies this quarter, an increase of 38 on the last quarter.The report also included details of staff training, service availability, staff wellness provisions and changes to the Occupational Health provider.**Resolved:****That the report be received.** |
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| **78.22** | ***Health and Safety Report for the Period Ended 31 October 2022*** |
| ***Decision*** | Members considered the Health and Safety Report for the period ended 31 October 2022 which provided an analysis of accident statistics over the period, together with other Health and Safety activities including policy updates and staff training.Overall, accidents showed a reduction of 27 compared to the same period last year and close to pandemic levels. There was one RIDDOR reportable accident during this period which was well below the target of less than 3%. However, the number of reported near misses had increased.Analysis indicated that there were no identifiable trends and no areas for concern.**Resolved:****That the report be received.** |
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| **79.22** | ***Terms of Reference of Finance and Resources Committee*** |
| ***Decision*** | In line with all Committees the Finance and Resources Committee reviewed its terms of reference to consider if they remained fit for purpose.**Resolved:****The Committee concluded that its terms of Reference remained fit for purpose.**  |
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